



2009 ASSEMBLY BILL 208

April 14, 2009 - Introduced by Representatives VAN ROY, LOTHIAN, MURSAU, TOWNSEND, A. OTT, MURTHA, VOS, SPANBAUER and STRACHOTA, cosponsored by Senators TAYLOR, OLSEN and KEDZIE. Referred to Committee on Jobs, the Economy and Small Business.

1 **AN ACT** *to amend* 71.05 (6) (a) 15. and 71.08 (1) (intro.); and *to create* 71.07 (5n)
2 and 71.10 (4) (gxa) of the statutes; **relating to:** an individual income tax credit
3 for the sales and use taxes paid on self-service laundry services.

Analysis by the Legislative Reference Bureau

Under current law, laundry services performed by the consumer of the laundry services are subject to the sales tax and the use tax, unless the services are performed through the use of coin-operated, self-service machines. Under this bill, an individual may claim an income tax credit in an amount equal to the amount of the sales and use taxes that the individual paid in the taxable year on laundry services performed by the individual through the use of self-service machines.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act
5 2, is amended to read:

6 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
7 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3r), (3s), (3t),

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1 (3w), (5e), (5f), (5h), (5i), (5j), ~~and (5k)~~, and (5n) and not passed through by a
2 partnership, limited liability company, or tax-option corporation that has added that
3 amount to the partnership's, company's, or tax-option corporation's income under s.
4 71.21 (4) or 71.34 (1k) (g).

5 **SECTION 2.** 71.07 (5n) of the statutes is created to read:

6 71.07 **(5n)** SELF-SERVICE LAUNDRY SERVICES CREDIT. (a) *Definition.* In this
7 subsection, “claimant” means an individual who files a claim under this subsection.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
9 claimant may claim against the taxes imposed under s. 71.02 or 71.08, up to the
10 amount of the taxes, an amount that is equal to the amount of the taxes imposed
11 under ss. 77.52 and 77.53 that the claimant paid in the taxable year on laundry, dry
12 cleaning, pressing, and dyeing services performed by the claimant through the use
13 of self-service machines.

14 (c) *Limitations.* For a claimant who is a nonresident or part-year resident of
15 this state and who is a single person or a married person filing a separate return,
16 multiply the credit for which the claimant is eligible under par. (b) by a fraction, the
17 numerator of which is the individual's Wisconsin adjusted gross income and the
18 denominator of which is the individual's federal adjusted gross income. If a claimant
19 is married and files a joint return, and if the claimant or the claimant's spouse, or
20 both, are nonresidents or part-year residents of this state, multiply the credit for
21 which the claimant is eligible under par. (b) by a fraction, the numerator of which is
22 the couple's joint Wisconsin adjusted gross income and the denominator of which is
23 the couple's joint federal adjusted gross income.

24 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
25 under s. 71.28 (4), applies to the credit under this subsection.

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1 2. Subsection (9e) (d), to the extent that it applies to the credit under sub. (9e),
2 applies to the credit under this subsection.

3 **SECTION 3.** 71.08 (1) (intro.) of the statutes, as affected by 2009 Wisconsin Act
4 2, is amended to read:

5 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
6 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
7 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (2fd), (3m), (3n),
8 (3p), (3r), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5n), (6), (6e), and (9e), 71.28 (1dd), (1de),
9 (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47
10 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m), (3), (3n), (3t), and (3w),
11 and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than
12 the tax under this section, there is imposed on that natural person, married couple
13 filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative
14 minimum tax computed as follows:

15 **SECTION 4.** 71.10 (4) (gxa) of the statutes is created to read:

16 71.10 (4) (gxa) Self-service laundry services credit under s. 71.07 (5n).

17 **SECTION 5. Initial applicability.**

18 (1) This act first applies to taxable years beginning on January 1 of the year
19 in which this subsection takes effect, except that if this subsection takes effect after
20 July 31 this act first applies to taxable years beginning on January 1 of the year
21 following the year in which this subsection takes effect.

22

(END)