



State of Wisconsin
2005 - 2006 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 892**

January 17, 2006 – Offered by COMMITTEE ON ENERGY AND UTILITIES.

1 **AN ACT** *to create* 77.51 (6m) and 77.54 (48) of the statutes; **relating to:** a sales
2 and use tax exemption for Internet equipment that is used in the broadband
3 market.

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

4 **SECTION 1.** 77.51 (6m) of the statutes is created to read:

5 77.51 (6m) For purposes of s. 77.54 (48), “Internet equipment used in the
6 broadband market” means equipment that is capable of transmitting data packets
7 or Internet signals at speeds of at least 200 kilobits per second in either direction.

8 **SECTION 2.** 77.54 (48) of the statutes is created to read:

9 77.54 (48) (a) The gross receipts from the sale of and the storage, use, or other
10 consumption of Internet equipment used in the broadband market, if the purchaser
11 certifies to the department of commerce, in the manner prescribed by the

1 department, that the purchaser will, within 24 months after the effective date of this
2 paragraph [revisor inserts date], make an investment that is reasonably
3 calculated to increase broadband Internet availability in this state and in an amount
4 equal to at least 20 percent of the amount the purchaser would have paid in taxes
5 imposed under this subchapter for Internet equipment used in the broadband
6 market during the 12-month period beginning on the effective date of this paragraph
7 [revisor inserts date].

8 (b) Every person who is required to make the investment under par. (a) shall,
9 within 60 days after the end of the year in which the investment is made, file a report
10 with the department of commerce that provides a detailed description of the
11 investment, including the amount invested. The department of commerce shall
12 provide copies of the report to the department of administration, the department of
13 revenue, and the public service commission.

14 **SECTION 3. Nonstatutory provisions.**

15 (1) INTERNET EQUIPMENT EXEMPTION PROGRAM.

16 (a) Not later than 30 days after the effective date of this subsection, the
17 department of commerce shall implement a program for certifying businesses as
18 eligible for the sales and use tax exemptions under section 77.54 (48) (a) of the
19 statutes.

20 (b) If the department of commerce certifies a business as eligible under
21 paragraph (a), the department shall determine the maximum amount of the
22 exemption that the business may claim, subject to paragraph (c). The department
23 of commerce may not allocate tax exemptions to a business unless the allocation of
24 the exemptions to the business is likely to increase the availability of broadband
25 Internet service areas of this state that are not served by a broadband Internet

1 service provider or are served by not more than one broadband Internet service
2 provider, as determined by the department. The total amount of tax exemptions
3 under section 77.54 (48) (a) of the statutes allocated to all eligible businesses may not
4 exceed \$7,500,000. The department of commerce shall complete the certifications
5 and determinations under this paragraph and paragraph (a) not later than the first
6 day of the 7th month after the effective date of this subsection.

7 (c) Not later than 10 days after the department of commerce completes the
8 certifications and determinations under paragraphs (a) and (b), the department of
9 commerce shall submit to the joint committee on finance a report identifying the
10 businesses certified under this subsection and the maximum amount of the tax
11 exemptions each business may claim. If the cochairpersons of the committee do not
12 notify the department of commerce within 14 working days after the department of
13 commerce submits the report that the committee has scheduled a meeting to review
14 the department of commerce's certifications and determinations, the department of
15 commerce shall notify the department of revenue of the department of commerce's
16 certifications and determination. If, within 14 working days after the department
17 of commerce submits the report, the cochairpersons of the committee notify the
18 department of commerce that the committee has scheduled a meeting to review the
19 proposal, the department of commerce may not notify the department of revenue of
20 the department of commerce's certifications and determinations unless one of the
21 following is true:

22 1. The committee approves the department of commerce's certifications and
23 determinations.

