



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0414/2
JK&CTS:jld:ch

**SENATE SUBSTITUTE AMENDMENT 1,
TO 2005 SENATE BILL 483**

January 12, 2006 – Offered by Senator KANAVAS.

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
12 department, that the purchaser will, within 24 months after the effective date of this

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

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

13 **SECTION 3. Nonstatutory provisions.**

14 (1) INTERNET EQUIPMENT EXEMPTION PROGRAM.

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

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

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

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

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

23 2. The committee does not hold a meeting to review the proposal within 30 days
24 after the cochairpersons notify the department of commerce that a meeting has been
25 scheduled.

1 (d) Notwithstanding section 227.24 of the statutes, the department of
2 commerce may promulgate emergency rules necessary to administer this subsection.
3 Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules
4 promulgated under this subsection remain in effect until the department of
5 commerce notifies the department of revenue of the department of commerce's
6 certifications and determinations, or the first day of the 13th month after the
7 effective date of this subsection, whichever is sooner. Notwithstanding section
8 227.24 (1) (a) and (3) of the statutes, the department of commerce is not required to
9 provide evidence that promulgating a rule under this subsection as an emergency
10 rule is necessary for the preservation of the public peace, health, safety, or welfare
11 and is not required to provide a finding of emergency for a rule promulgated under
12 this subsection.

13 **SECTION 4. Effective date.**

14 (1) This act takes effect on the first day of the 2nd month beginning after
15 publication.

16 (END)