



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2005 Assembly Bill 644**

**Assembly Substitute  
Amendment 1**

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Assembly Substitute Amendment 1 (“the Substitute Amendment”) provides that services provided by a “temporary help company” are not subject to the sales tax if the person for whom the services are provided controls the means of performing the services and is responsible for the satisfactory completion of the services.

A “temporary help company” is defined as an entity which contracts with a client to supply individuals to perform services for the client on a temporary basis to support or supplement the workforce of the client in situations such as personnel absences, temporary personnel shortages, and workload changes resulting from seasonal demands or special assignments for projects and which, both under contract and in fact:

1. Negotiates with clients on such matters as time, place, type of work, working conditions, quality, and price of the services.
2. Determines assignments or reassignments of individuals to clients, even if the individuals retain the right to refuse specific assignments.
3. Sets the rate of any of the individuals, whether or not through negotiation.
4. Pays the individuals from its account or accounts.
5. Hires and terminates individuals who perform services for the clients.

### **Assembly Amendment 1**

Assembly Amendment 1 deletes from the Substitute Amendment the initial applicability provision which makes it first apply to services provided on January 1, 2007. The effect of this amendment is that the Substitute Amendment will become effective on the day after publication

**Legislative History**

On February 8, 2006, the Assembly Committee on Ways and Means adopted the Substitute Amendment by a vote of Ayes, 12; Noes, 1; introduced and adopted Assembly Amendment 1 by a vote for Ayes, 12; Noes, 1; and recommended the bill for passage, as amended, by a vote of Ayes, 8; Noes, 5.

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