



1995 ASSEMBLY BILL 23

January 19, 1995 - Introduced by Representatives OURADA, LEHMAN, ZUKOWSKI, BELL, FREESE, VRAKAS, SCHNEIDERS, HANDRICK, HUBER, HARSDORF, BRANDEMUEHL, GARD, ZIEGELBAUER, WARD, HAHN, SPRINGER, GOETSCH, URBAN, OTT, GRONEMUS, MUSSER, SERATTI, OWENS, SKINDRUD, OTTE, SILBAUGH, BALDUS, GROTHMAN, WILDER, HASENOHRL and KLUSMAN, cosponsored by Senators A. LASEE, DRZEWIECKI, BRESKE, BUETTNER, DECKER and CHVALA. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to amend** 77.52 (13); and **to create** 77.54 (9b) of the statutes; **relating**
2 **to:** sales taxes and use taxes on materials used in construction for units of
3 government.

Analysis by the Legislative Reference Bureau

This bill exempts materials used in the construction of buildings for counties, cities, villages, towns, school districts, county-city hospitals, sewerage districts and any other unit of government or agency or instrumentality of a unit of government. The bill also allows contractors and subcontractors to use the exemption certificate of the unit of government for which the building is to be constructed.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* 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.** 77.52 (13) of the statutes is amended to read:
5 77.52 (13) For the purpose of the proper administration of this section and to
6 prevent evasion of the sales tax it shall be presumed that all receipts are subject to
7 the tax until the contrary is established. The burden of proving that a sale of tangible
8 personal property or services is not a taxable sale at retail is upon the person who

1 makes the sale unless that person takes from the purchaser a certificate to the effect
2 that the property or service is purchased for resale or is otherwise exempt. A
3 contractor or subcontractor who purchases materials that are exempt under s. 77.54
4 (9b) may use an exemption certificate of the entity for which the improvement to real
5 property is to be built if the contractor or subcontractor also presents a statement
6 from the unit of government that the materials are to be used in constructing an
7 improvement to real property for the unit of government.

8 **SECTION 2.** 77.54 (9b) of the statutes is created to read:

9 77.54 **(9b)** The gross receipts from the sales and the storage, use or other
10 consumption of materials for the construction of improvements to real property for
11 an entity under sub. (9a) (b) to (e).

12 **SECTION 3. Effective date.**

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

15 (END)