4

LRB-4629/1 JK:wlj&hmh:jf

2001 ASSEMBLY BILL 767

January 31, 2002 – Introduced by Representatives WIECKERT and TOWNSEND, cosponsored by Senators Breske and Welch. Referred to Committee on Economic Development. Referred to Joint Committee on Tax Exemptions.

- 1 AN ACT *to create* 71.07 (3s) (c) 7., 71.28 (3) (c) 7., 71.47 (3) (c) 7. and 77.54 (30)
- 2 (a) 6. of the statutes; **relating to:** the income and franchise tax credit for sales tax and use tax paid on fuel and electricity consumed in manufacturing.

Analysis by the Legislative Reference Bureau

Under current law, a manufacturer may claim an income or franchise tax credit in an amount that is equal to the sales tax and the use tax that the manufacturer paid on fuel and electricity used for manufacturing tangible personal property in this state. Under this bill, a manufacturer may not claim the credit for taxable years beginning after December 31, 2002, but beginning on January 1, 2003, fuel and electricity sold for use in manufacturing tangible personal property in this state are exempt from the sales tax and the use tax.

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:

Section 1. 71.07 (3s) (c) 7. of the statutes is created to read:

ASSEMBLY BILL 767

71.07 (3s) (c) 7. No credit may be claimed under this subsection for taxable
years that begin after December 31, 2002. Credits that are claimed under this
subsection for taxable years that begin before January 1, 2003, may be carried
forward to taxable years that begin after December 31, 2002.
Section 2. 71.28 (3) (c) 7. of the statutes is created to read:
71.28 (3) (c) 7. No credit may be claimed under this subsection for taxable years
that begin after December 31, 2002. Credits that are claimed under this subsection
for taxable years that begin before January 1, 2003, may be carried forward to
taxable years that begin after December 31, 2002.
Section 3. 71.47 (3) (c) 7. of the statutes is created to read:
71.47 (3) (c) 7. No credit may be claimed under this subsection for taxable years
that begin after December 31, 2002. Credits that are claimed under this subsection
for taxable years that begin before January 1, 2003, may be carried forward to
taxable years that begin after December 31, 2002.
SECTION 4. 77.54 (30) (a) 6. of the statutes is created to read:
77.54 (30) (a) 6. Fuel and electricity sold for use in manufacturing tangible
personal property in this state.
SECTION 5. Initial applicability.

(1) The treatment of section 77.54 (30) (a) 6. of the statutes first applies to fuel

(END)

and electricity sold on January 1, 2003.