



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1092/1

JK:lmk:rs

2005 ASSEMBLY BILL 371

April 27, 2005 – Introduced by Representatives SCHNEIDER, WASSERMAN, JENSEN and ALBERS. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 77.51 (4) (b) 1. and 77.51 (15) (b) 1. of the statutes; **relating**
2 **to:** the sales tax and the use tax on purchases made with a manufacturer's
3 rebate.

Analysis by the Legislative Reference Bureau

Under current law, the state imposes a sales tax on all retailers at the rate of 5 percent of the gross receipts from the sale of tangible personal property. The retailer generally passes the sales tax on to the consumer. The state also imposes a use tax on all consumers, at the rate of 5 percent of the sales price for the use or storage of tangible personal property in this state that the consumer either purchases from out-of-state retailers or purchases without paying the appropriate sales tax. Under current law, when a consumer purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the original price of the tangible personal property rather than on the price as reduced by the manufacturer's rebate.

Under this bill, when a consumer purchases tangible personal property, other than motor vehicles, that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the price of the tangible personal property as reduced by the manufacturer's rebate rather than on the original price.

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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:

1 **SECTION 1.** 77.51 (4) (b) 1. of the statutes is amended to read:

2 77.51 (4) (b) 1. Cash or term discounts; or amounts paid by the manufacturer
3 of the item sold, not including a motor vehicle, as defined in s. 340.01 (35), that reduce
4 the amount paid by the buyer of the item; allowed and taken on sales.

5 **SECTION 2.** 77.51 (15) (b) 1. of the statutes is amended to read:

6 77.51 (15) (b) 1. Cash discounts; or amounts paid by the manufacturer of the
7 item sold, not including a motor vehicle, as defined in s. 340.01 (35), that reduce the
8 amount paid by the buyer of the item; allowed and taken on sales.

9 **SECTION 3. Initial applicability.**

10 (1) MANUFACTURERS' REBATES. This act first applies to sales on the effective date
11 of this subsection.

12 **SECTION 4. Effective date.**

13 (1) MANUFACTURERS' REBATES. This act takes effect on the 7th day beginning
14 after publication.

15 (END)