

State of Misconsin 2015 - 2016 LEGISLATURE

LRB-3306/1 JK:jld/emw/amn

2015 SENATE BILL 421

December 3, 2015 – Introduced by Senator Gudex, cosponsored by Representatives Born, Jacque, A. Ott, Kulp, E. Brooks, Horlacher, Rohrkaste, R. Brooks, Hintz, Kremer, Tittl and Petryk. Referred to Committee on Revenue, Financial Institutions, and Rural Issues.

AUTHORS SUBJECT TO CHANGE

- 1 AN ACT to amend 77.54 (7m) of the statutes; relating to: the sales tax exemption
- 2 for occasional sales by nonprofit organizations.

Analysis by the Legislative Reference Bureau

This bill provides that occasional sales of tangible personal property or services made by nonprofit organizations are exempt from the sales tax if such sales occur on no more than 75 days during the year or the receipts from such sales do not exceed \$50,000. Under current law, such sales are exempt if they occur on no more than 20 days during the year or the receipts from such sales do not exceed \$25,000.

Under current law, if a nonprofit organization sells admissions to an event involving entertainment, the sale of those admissions are exempt from the sales tax only if the payment for the entertainment is no more than \$500. Under the bill, the sale of those admissions is exempt if the payment for the entertainment is no more than \$10,000.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the 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:

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SECTION 1. 77.54 (7m) of the statutes is amended to read:

77.54 (7m) Occasional sales of tangible personal property, or items or property under s. 77.52 (1) (b) or (c), or services, including admissions or tickets to an event; by a neighborhood association, church, civic group, garden club, social club or similar nonprofit organization; not involving entertainment for which payment in the aggregate exceeds \$500 \$10,000 for performing or as reimbursement of expenses unless access to the event may be obtained without payment of a direct or indirect admission fee; conducted by the organization if the organization is not engaged in a trade or business and is not required to have a seller's permit. For purposes of this subsection, an organization is engaged in a trade or business and is required to have a seller's permit if its sales of tangible personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d), and services, not including sales of tickets to events, and its events occur on more than 20 75 days during the year, unless its taxable receipts do not exceed \$25,000 \$50,000 during the year. The exemption under this subsection does not apply to the sales price from the sale of bingo supplies to players or to the sale, rental or use of regular bingo cards, extra regular cards and special bingo cards.

SECTION 2. Initial applicability.

(1) This act first applies to sales made in 2016.

20 (END)