



# Wisconsin Legislative Bulletin

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## Wetlands Issue Hotly Contested

Senate Republicans approved a bill that would loosen restrictions on wetland development in an ugly early morning session Wednesday that underscored the animosity that has permeated the state Capitol in the year since Gov. Scott Walker stripped public workers of nearly all their union rights.

The wetlands bill has become a hot-button issue. The GOP sees it as a way to help businesses expand and create jobs... [\[READ MORE\]](#)

## BILL TRACKING - Industry

### **AB 380 -Sales Tax Exemption Proposed for LBM**

AB 380 proposes sales and use tax exemption for building materials that become a part of a facility for a local unit of government or nonprofit organization. Under current law, municipalities, school districts, and certain nonprofit organizations are exempt from paying the sales tax and the use tax on purchases of tangible personal property. To receive the sales tax or use tax exemption, the municipality, school district, or nonprofit organization must purchase the tangible personal property. A construction contractor hired by the municipality, school district, or nonprofit organization may not receive the exemption for property purchased by the contractor to be used for a municipality, school district, or nonprofit organization construction project.

Under this bill, the sale of tangible personal property that becomes a component of a facility in this state that is owned by a municipality or nonprofit organization is exempt from the sales tax and the use tax. The exemption applies to tangible personal property purchased by a construction contractor who transfers the property to the municipality or nonprofit organization as part of constructing the facility.

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.

## BILL TRACKING - General

### **AB 532-Small Business Aid**

AB 532 creates a Neighborhood Business Revitalization Loan Guarantee Program (program) to be administered by the Wisconsin Housing and Economic Development Authority (WHEDA). Under the program, WHEDA may guarantee repayment of a certain portion of a loan made by a private lender to an eligible borrower. The bill defines an eligible borrower as both of the following: 1) a small business with its principal place of business in this state and an annual gross revenue of less than \$1,000,000 if the owner of the business or a person proposing to acquire the business is or will be actively engaged in the business and if the project proposed by the owner or prospective owner involves expanding the business (eligible business borrower); or 2) a developer if the project proposed by the developer involves

developing or rehabilitating commercial real estate or mixed-use properties and the developer is actively engaged in the project.

Proceeds of a loan guaranteed under the program may be used on an eligible project, including any of the following: a) the purchase or improvement of real property by an eligible borrower; b) the expansion or acquisition of a small business by an eligible business borrower; c) the funding of leasehold improvements by an eligible business borrower; and d) the funding of permanent or revolving working capital by an eligible business borrower. An eligible business borrower may also refinance existing debt if the borrower also expands an existing business. The bill requires WHEDA to give priority to projects located in an area designated as a business area under the State Main Street Program or in an area designated as a business improvement district.

WHEDA may guarantee up to the lesser of \$750,000 or 75 percent of the principal of a loan if the proceeds of the loan are used on an eligible project that involves the acquisition of fixed assets or inventory or permanent working capital, and up to the lesser of \$200,000 or 75 percent of the principal of a loan if the proceeds of the loan are used on an eligible project that involves revolving working capital.

### **AB 499 & SB 409-Worker's Compensation Bill Introduced**

AB 499 and, SB409 companion bills relating to worker's compensation law, were heard jointly by the Assembly Labor and Workforce Development Committee and the Senate Committee on Labor, Public Safety and Urban Affairs on Wednesday, February 1.

Those testifying in favor of the bill included Georgia Maxwell and John Metcalf from the Department of Workforce Development. Ms. Maxwell is the Executive Assistant of the Department and John is the Administrator for the Worker's Compensation Division.

James Buchen, WMC Senior Vice President of Government Relations, testified with Stephanie Bloomingdale, Secretary-Treasurer of the Wisconsin AFL-CIO, as representatives of the Worker's Compensation Advisory Council.

The bill passed unanimously out of the assembly committee on Thursday, February 9, and the senate bill will receive a vote in committee on Wednesday. We also expect that bill to pass.

### **Venue of Tax Appeal Legislation Being Introduced**

Legislation to allow tax appeals to be considered in the county of residence will soon be introduced in the state Assembly. Representative Pat Strachota (R-West Bend) has asked her fellow lawmakers to co-sponsor the legislation before formal introduction next week.

Under current state law, appeals from decisions of the Tax Appeals Commission can be filed in the county of residence for income tax and real estate transfer fee cases, but all other tax appeals like manufacturing assessment and sales/use tax must be considered in Dane County Circuit Court.

Strachota's legislation would change that and make our tax appeals law consistent so that taxpayers appeals can be considered in the county of residence or where the taxpayer's property is located.

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