



## 2015 ASSEMBLY BILL 313

August 21, 2015 – Introduced by Representatives KULP, JACQUE, TRANEL, BERNIER, KOOYENGA, E. BROOKS, NOVAK and BALLWEG, cosponsored by Senators MARKLEIN, GUDEX, HARSDORF and PETROWSKI. Referred to Committee on Ways and Means.

- 1     **AN ACT to create** 77.54 (9m) of the statutes; **relating to:** a sales and use tax  
2             exemption for building materials that become a part of a facility for a local unit  
3             of government or nonprofit organization.

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### *Analysis by the Legislative Reference Bureau*

Under this bill, the sale of tangible personal property that becomes a component of a facility in this state that is owned by a county, municipality, school district, 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 county, municipality, school district, or nonprofit organization as part of constructing the facility.

Under current law, counties, municipalities, school districts, and nonprofit organizations are exempt from paying the sales tax and the use tax on purchases of tangible personal property. Currently, a construction contractor hired by the county, municipality, school district, or nonprofit organization may not receive the exemption for property purchased by the contractor to be used for a county, municipality, school district, or nonprofit organization construction project.

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.

