



FULFILLING OUR PROMISES  
TO THE MEN AND WOMEN WHO SERVED

## Department of Wisconsin

**STATEMENT FOR THE RECORD  
AL LABELLE  
DAV WISCONSIN BENEFITS PROTECTION TEAM LEADER  
BEFORE THE  
COMMITTEE ON REVENUE, FINANCIAL INSTITUTIONS AND RURAL ISSUES  
WISCONSIN STATE SENATE  
AUGUST 30, 2017**

Chairman Marklien, Ranking Member Ringhand and distinguished Members of the Committee:

Good morning!

Thank you for allowing DAV (Disabled American Veterans) this opportunity to present our view on Senate Bill 306 (SB 306) relating to: *a sales and use tax exemption for sales to a state veterans organization.*

As you may know, DAV is a non-profit veterans service organization (VSO) comprised of nearly 1.3 million wartime service-disabled veterans, nationwide. In Wisconsin, we have well over 15,000 members. DAV was founded in 1920 and congressionally chartered in 1932.

All our members were wounded, injured or became ill while in service to our great nation, many of them severely. Our members have already sacrificed much in defense of our country and state.

For this reason, DAV Wisconsin has felt for years the State Sales Tax was an unjust imposition. Thank you, Sen. LeMahieu and Rep. Jacque for introducing this long awaited bill.

Additionally, the Internal Revenue Service (IRS) recognizes Veterans Service Organizations (VSOs) as being tax exempt. The imposition of a State Sales Tax is contrary to this Federal position.

As a Point of Reference, the IRS Code has seven (7) tax exempt sections for VSOs. The two major sections are 501 (c) 19 and 501 (c) 4. A preponderance of VSOs fall into the 501 (c) 19 group. Their tax exemption is based on Membership.

DAV falls into the 501 (c) 4 section, meaning our tax exemption is based on Activity, not Membership.

To meet this IRS standard, DAV is dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity. We do this through Service.

Each year, DAV helps more than 1 million veterans with Benefits, Transportation, Advocacy, Employment, and Volunteerism. Eighty five percent (85.1%) of our total expenditures are spent on Service.

Any savings realized by the proposed Sale Tax exemption in SB 306 will be put back into our Service Programs which help veterans and their families.

The first sentence of the DAV Statement of Policy says: *The Disabled American Veterans was founded on the principle that this nation's first duty to veterans is the rehabilitation and welfare of its wartime disabled.*

Pursuant to the DAV Statement of Policy and DAV National Resolution #8, DAV Wisconsin supports SB 306 and urges the legislature to pass this bill in an expeditious manner.

This concludes my testimony, Mr. Chairman. I would be pleased to respond to any questions from you or the Committee Members concerning our views on this bill.

# VETERANS OF FOREIGN WARS

OF THE UNITED STATES



DEPARTMENT OF WISCONSIN

**August 30, 2017**

**Public testimony of Michael L "Gunner" Furgal, State Legislative Chairman, Veterans of Foreign Wars, Department of Wisconsin**

**Re: Senate Bill 306**

---

Good morning Chairman Marklein and members of the Revenue, Financial Institutions and Rural Issues Committee. I'm Mike "Gunner" Furgal, State Legislative Chairman, Veterans of Foreign Wars, Department of Wisconsin. I'm grateful for the opportunity to testify today in support of Senate Bill 306 on behalf of State Commander "Trapper" John Schultz and the nearly 40,000 VFW and Auxiliary members located in every county of our great state.

I thank Senator LeMahieu for crafting this legislation and moving it forward. I would also like to thank the veterans' service organizations who are here today to testify and register in favor of this legislation.

Senate Bill 306 would grant sales and use tax exemption for tangible personal property and taxable services sold to a state veteran's organization. The veterans organization would have to be exempt under section 501(c)(19) or section 501 (c)(23) of the Internal Revenue Code.

These two sections of the IRS Code are much stricter than section 501(c)(3) which we are all familiar with. Section 501(c)(19) requires that 97.5 percent of the organization's membership must be present or former members of the United States Armed Forces or related to such a member. Section 501(c)(23) requires that the association be organized before 1880 and more than 75 percent of its members are past or present members of the United States Armed Forces.

This bill would allow veterans service organization to use the money they now pay in sales tax to aid their fellow veterans. There are veterans out there who simply fall through the cracks and are not receiving the federal and state benefits to which they are entitled. That is where the post's relief fund comes to the rescue and fills in the gaps.

Thank you again for holding a public hearing on SB 306. I am happy to answer any questions.



---

# **DEVIN LEMAHIEU**

## **STATE SENATOR**

### **Testimony on SB 306**

**RE: Sales and use tax exemption for sales to a state veteran's organization  
August 30, 2017**

Thank you Chairman Marklein and Members of the Senate Committee on Revenue, Financial Institutions and Rural Issues for hearing testimony today on Senate Bill 306.

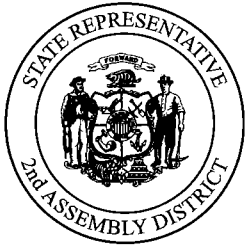
Under current law, charitable, religious, and education organizations registered as a 501(c)(3) qualify for an exemption from Wisconsin sales and use tax. However, Congressionally-chartered Veterans Service Organizations do not fall into this category because they fall under a separate section of the Federal Internal Revenue Code. This distinction still requires them to pay sales and use tax despite the fact that they are operated as not-for-profit charitable organizations.

Examples of VSOs include:

- Veterans of Foreign Wars (VFW)
- Vietnam Veterans of America
- AMVETS
- American Legion
- Disabled American Veterans (D.A.V.)
- Military Order of the Purple Heart (MOPH)
- Polish Legion of American Veterans

The goal of Senate Bill 306 is to provide equal tax treatment to all not-for-profit organizations. Senate Bill 306 extends Wisconsin's sales and use tax exemptions to a "state organization or department of a national veterans organization incorporated by an act of congress."

Thank you for your consideration on Senate Bill 306. I would be happy to answer any questions.



# ANDRÉ JACQUE

STATE REPRESENTATIVE • 2<sup>nd</sup> ASSEMBLY DISTRICT

(608) 266-9870  
Fax: (608) 282-3602  
Toll-Free: (888) 534-0002  
Rep.Jacque@legis.wi.gov

P.O. Box 8952  
Madison, WI 53708-8952

TO: Members of the Senate Committee on Revenue, Financial Institutions and Rural Issues  
FROM: Rep. André Jacque  
DATE: Aug. 30, 2017  
RE: Senate Bill 306

Chairman Marklein and committee members,

Thank you for the opportunity to testify before you today in support of Senate Bill 306, bi-partisan legislation I have introduced with Sen. Devin LeMahieu to finally provide equitable treatment among non-profit organizations by providing Wisconsin's veterans' service organizations the same Wisconsin sales and use tax exemption granted to other charitable organizations incorporated as 501c3s.

Charitable, religious and educational organizations under Section 501(c)(3) of the Internal Revenue Code qualify for exemption from Wisconsin sales and use tax. However, because Congressionally-chartered Veterans Service Organizations were created in a separate section of Federal Internal Revenue Code (typically c19 or c23), their Wisconsin chapters are required to pay state sales and use tax despite their non-profit status and charitable nature. This bill's exemption also applies to building materials purchased by a construction contractor who transfers the materials to a state veterans organization as part of constructing a facility for the organization, something I previously had the pleasure of working on for local governments and non-profits over the past few sessions with Sen. Marklein, Rep. Kulp and a broad bi-partisan coalition. The tax exempt parity among non-profits established by SB 306 is commonly found in other states.

Leadership from the Wisconsin chapters of 8 different Congressionally-chartered Veterans Service Organizations have contacted my office in support of this legislation, including AMVETS, Vietnam Veterans of America, the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Desert War Veterans, Military Order of the Purple Heart, and the Polish Legion of American Veterans. These groups promote the social welfare of our community, take care of their sick, hospitalized or disabled comrades and their widows and dependents, conduct memorial services, frequently sponsor educational and patriotic events, youth activities and scholarships, donate to other charities, and allow other community organizations to use post facilities at minimal or no charge.

This bill is about basic fairness and doing the right thing for those who have given so much in service to our country and our communities, and it is long overdue. I am grateful to Sen. LeMahieu for his Senate leadership on this legislation and to Sen. Marklein for holding this hearing, and I thank the members of this committee for their prompt consideration of SB 306.

## **Tobias, Adam**

---

**From:** Rep.Jacque  
**Sent:** Tuesday, August 29, 2017 11:25 PM  
**To:** Tobias, Adam; Sande, Rebecca  
**Subject:** Please print out 10 copies

**From:** Glenn Fieber [mailto:[vyper6869@gmail.com](mailto:vyper6869@gmail.com)]  
**Sent:** Tuesday, August 29, 2017 12:27 AM  
**To:** Rep.Jacque <[Rep.Jacque@legis.wisconsin.gov](mailto:Rep.Jacque@legis.wisconsin.gov)>  
**Subject:** Wisconsin Vietnam Vets Inc.

Dear Representative Jacque,

I represent 345 Wisconsin Vietnam Veterans who are split up into 5 Chapters across the State of Wisconsin. We have been waiting 50 years to finally be treated like the other Wisconsin organizations who give to needy organizations across the great state of Wisconsin. We give to many Veterans organizations including the Wisconsin Military Museum in Madison, Camp Home Town Heroes, the High Ground, and many other fine Veterans Organizations that could be helped by our donations.

We hold fund raisers such as brat fries etc. to raise funds to donate to different organizations and it will be very advantageous for us to be able to buy food and other products and not have to decrease our donation profits by having to pay the taxes. As we Vietnam Veterans grow older we can soon pass the baton to the younger Wisconsin Military Veterans who will benefit greatly by Senate Bill 306 and hopefully continue to donate to many needy causes in Wisconsin.

Speaking for all Wisconsin Vietnam Veterans, I want to thank you, Rep. Jacque and all the other Wisconsin legislators who are involved in making this great bill happen. It will be very beneficial to all Wisconsin Veteran organizations who unselfishly continue to give so that people in the need can enjoy something good in their life.

I will try to make it to Madison to testify Wednesday, but if I can't make it please feel free to use this as written testimony.

Best regards;

Glenn W. Fieber, President  
Wisconsin Vietnam Vets Inc.  
[vyper6869@gmail.com](mailto:vyper6869@gmail.com)  
414-531-2919