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

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 77.54 (9m) of the statutes is created to read:

77.54 (9m) The sales price from the sale of and the storage, use, or other consumption of tangible personal property, or items or property under s. 77.52 (1) (b) or (c), sold to a construction contractor who, in fulfillment of a real property construction activity, transfers the tangible personal property, or items or property under s. 77.52 (1) (b) or (c), to an entity described under sub. (9a) (b), (c), (d), (em), or (f), if such tangible personal property, or items or property, becomes a component of a facility in this state that is owned by the entity. In this subsection, “facility” means any building, shelter, parking lot, parking garage, athletic field, athletic park, storm sewer, water supply system, or sewerage and waste water treatment facility, but does not include a highway, street, or road.

SECTION 2. Initial applicability.
(1) This act first applies to contracts entered into on January 1, 2016.

SECTION 3. Effective date.
(1) This act takes effect on January 1, 2016.