
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Senate Bill 616

Assembly Amendment 1

This amendment memo describes engrossed 2023 Senate Bill 616 (SB 616), as received from the Senate, and Assembly Amendment 1 (AA 1) to SB 616.

ENGROSSED 2023 SENATE BILL 616 (AS RECEIVED FROM SENATE)

SB 616, as received from the Senate, makes various changes to the statutes administered by the Department of Revenue (DOR). This includes provisions creating a sales tax exemption for road-building equipment, increasing the income tax withholding threshold for nonresidents, modifying certification requirements for a qualified opportunity fund, modifying prohibitions on certain lottery games, extending the capital gains exclusion to family members who inherit certain farms organized as an entity, modifying provisions created in 2023 Wisconsin Act 19 relating to a sales tax exemption for commercial loans, and modifying provisions created in 2023 Wisconsin Act 73 (Act 73) relating to an electronic vaping device registry maintained by DOR, as specified in the bill.

In addition, SB 616 creates a nonstatutory provision increasing the full-time equivalent (FTE) positions for DOR by 4.0 positions for cigarette, tobacco, and vapor enforcement. The positions are to be funded from the permanent endowment fund under the tobacco settlement agreement. SB 616 appropriates \$201,100 in fiscal year 2023-24, and \$643,100 in fiscal year 2024-25, for this purpose, as specified in the bill. SB 616 reduces the transfer from the permanent endowment fund to the Medical Assistance trust fund by those amounts in each corresponding fiscal year.

ASSEMBLY AMENDMENT 1

AA 1 to SB 616, as received from the Senate, incorporates certain additional changes relating to special purpose district board members and common carriers involved in direct wine shipping, and it increases positions for DOR for shared revenue and municipal tax administration.

Special Purpose District Board Members

Current statutes specify the terms of office for members of the board of directors of a special purpose district, such as the Wisconsin Center District. The terms are generally set at three years, as specified in the statute. Currently, no appointed board member may serve for more than six years. AA 1 instead provides that no appointed board member may serve for more than nine years.

Common Carriers Involved in Direct Wine Shipping

Current statutes, as modified by Act 73, prohibit a common carrier from shipping alcohol beverages other than wine obtained from a permitted direct wine shipper or a permitted fulfillment house, and DOR must revoke the permit of a common carrier that violates this prohibition. AA 1 allows, rather than requires, DOR to revoke the permit of a common carrier that violates this prohibition. Furthermore, AA 1 specifies that DOR may only take this action if it determines that the common carrier has engaged in repeated and negligent transportation and shipping practices involving alcohol beverages and has violated the prohibition in more than one month in a calendar year.

AA 1 also modifies certain provisions created under Act 73 requiring common carriers to submit a monthly report to DOR. AA 1 removes the requirement that the report include the name and address of the manufacturer, requires the common carrier to report the name and the address of the consignor in all shipments, and requires the common carrier to report the weight, rather than the type and quantity, of the alcohol beverages.

DOR Shared Revenue and Municipal Tax Administration

AA 1 creates a nonstatutory provision increasing the FTE positions for DOR by 1.0 position for administration of the municipal sales tax authorized under 2023 Wisconsin Act 12 (Act 12). The position is to be funded through the appropriation for municipal tax administration, as specified in the amendment.

AA 1 also creates a nonstatutory provision increasing the FTE positions for DOR by 4.0 positions for administration of shared revenue and innovation grant distributions, as provided under Act 12. The positions are to be funded by a \$125,000 increase to DOR's appropriation for general program operations in fiscal year 2023-24, and a \$409,700 appropriation for shared revenue and innovation grant administration in 2024-25, as specified in the amendment.

BILL HISTORY

On November 7, 2023, Senator Marklein introduced SB 616. On January 15, 2024, the Senate Committee on Universities and Revenue recommended passage of SB 616 on a vote of Ayes, 7; Noes, 1. On February 7, 2024, Senator Marklein offered SA 1. On February 13, 2024, the Senate adopted SA 1, on voice vote, and passed SB 616, as amended, on a vote of Ayes, 30; Noes, 2. On February 22, 2024, Representative Katsma offered AA 1 to SB 616, and the Assembly adopted AA 1, on a voice vote, and concurred in SB 616, as amended, on a vote of Ayes, 97; Noes, 0.

For a full history of the bill, visit the Legislature's [bill history page](#).

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