

LRB-4882/P2 JK:cjs

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT to renumber and amend 77.54 (14m) of the statutes; relating to: the sales tax exemption for insulin (suggested as remedial legislation by the Department of Revenue).

Analysis by the Legislative Reference Bureau

Under current law, drugs prescribed for the treatment of a human being by a person authorized to prescribe the drugs, and dispensed on prescription filled by a pharmacist, are exempt from the sales tax. Generally, a person does not need to present to the seller a sales tax exemption certificate issued by the Department of Revenue to claim the exemption.

Under current law, insulin furnished by a pharmacist to a person for treatment of diabetes as directed by a physician is considered to be dispensed on prescription and, therefore, exempt from the sales tax. However, a person must present a tax exemption certificate to claim the exemption. This bill modifies the exemption for insulin so that insulin furnished by a pharmacist to a person for treatment of diabetes of a human being is exempt from the sales tax and the purchaser is not required to present an exemption certificate.

For further information, see the Notes provided by the Law Revision Committee of the Joint Legislative Council.

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

Law Revision Committee Prefatory Note: This bill is a remedial legislation proposal, requested by the Department of Revenue and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

- SECTION 1. 77.54 (14m) of the statutes is renumbered 77.54 (14) (en) and amended to read:
- 77.54 **(14)** (en) For purposes of sub. (14), insulin Insulin furnished by a pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed dispensed on prescription of a human being.

Note: This Section modifies the current sales tax exemption for insulin furnished by a pharmacist to a person for the treatment of diabetes of a human being by removing the requirement that the purchaser present to the seller a sales tax exemption certificate issued by the Department of Revenue.

6 (END)