

Premier Resort Area Tax

For Persons Selling Tangible Personal Property and Taxable Services In Premier Resort Areas

Includes information on:

- **Who is subject to the tax**
- **What's taxable and what's exempt**
- **Filing returns and paying the tax**
- **Recordkeeping**

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IMPORTANT CHANGES

Tax Rate Increase for Wisconsin Dells and Lake Delton. Effective January 1, 2010, the premier resort area tax rates for the City of Wisconsin Dells and the Village of Lake Delton will increase from 0.5% to 1.0%. The premier resort area tax rates for the City of Bayfield and the City of Eagle River remain at 0.5%. Pages 2, 10, and 11.

Updates for Streamlined Sales Tax. The Wisconsin Legislature has passed the legislation necessary to conform Wisconsin's sales and use tax laws to the requirements of the Streamlined Sales and Use Tax Agreement as part of 2009 Wisconsin Acts 2 and 28. The conforming legislation, known as the Main Street Equity Act, became effective in Wisconsin on October 1, 2009. Changes include:

- Part III.C. on pages 4-8 is updated to reflect changes in the sourcing of sales, leases, rentals, and licenses.

For certain coins and stamps and leased property, the sales and use tax is imposed separately from the sales and use tax on “tangible personal property.” (These items are no longer specifically identified in the statutory definition of “tangible personal property.”) Therefore, these items are listed separately in this publication. See Part II.B. and C. on page 3.

- Collecting tax from customers. Part VII.B. on pages 10 and 11 is revised to provide that a retailer may either multiply the applicable tax rate by the taxable sales price of each item or by taxable sales price of the total invoice amount to determine the amount of tax to collect from customers.

All Registered Retailers Must Collect Sales and Use Taxes for All Wisconsin Counties and Stadium Districts. Information added to explain this new requirement. Page 2; Example 3 on page 5; and the example on page 6.

Sales of Used Motor Vehicles, Boats, Snowmobiles, Recreational Vehicles as defined in s. 340.01 (48r), Wis. Stats., Trailers, Semitrailers, All-Terrain Vehicles, and Aircraft by Persons

who are Not Dealers. Any retailer that is registered to collect and remit Wisconsin sales and use taxes must also collect and remit the applicable state, county, stadium, and premier resort area taxes on its sales of motor vehicles, boats, snowmobiles, recreational vehicles as defined in s. 340.01 (48r), Wis. Stats., trailers, semitrailers, all-terrain vehicles, and aircraft, even if they are not “dealers” or “registered dealers” of the item sold. Example 3 on page 5.

Retailers Are No Longer Required to be “Engaged in Business” in the Premier Resort Area to be Subject to the Premier Resort Area Tax. Part III.A. on pages 3-4 revised to remove this requirement (sec. 77.73(3), Wis. Stats., as created by 2009 Wis. Act 2 and amended by 2009 Wis. Act 28, and sec. 77.9941(4), Wis. Stats., as amended by 2009 Wis. Act 2).

Digital Goods. Effective October 1, 2009, Wisconsin sales and use taxes apply to the sales of and the storage, use, or other consumption of “specified digital goods,” “additional digital goods,” and “digital codes” in Wisconsin. The premier resort area tax also applies to sales of these items if the conditions in Part III.A. are met. Part II.D. on page 3 and Part III.C.2. on page 6.

CAUTION

- The information in this publication reflects interpretations by the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature and in effect as of December 1, 2009. Laws enacted and in effect after this date, administrative rules, and court decisions may change the interpretations in this publication.
- The examples and lists of taxable and nontaxable sales and purchases provided in this publication are not all-inclusive. They merely set forth common examples.

I. INTRODUCTION

The Wisconsin Legislature enacted a law which permits a municipality or county to impose a 0.5% premier resort area tax if the municipality or county meets certain

conditions. (Exception: The City of Wisconsin Dells and the Village of Lake Delton have been authorized to impose a 1.0% premier resort area tax, and have elected to do so, effective January 1, 2010. The municipality or county must enact an ordinance or resolution declaring itself to be a “premier resort area.” This means at least 40% of the equalized assessed value of the taxable property within the municipality or county is used by tourism-related retailers.

Exception: The cities of Bayfield and Eagle River and the villages of Ephraim and Sister Bay may, by ordinance, impose a 0.5% premier resort area tax even if less than 40% of the equalized assessed value of the taxable property within those cities is used by tourism-related retailers.

As of October 1, 2009, the following municipalities have adopted an ordinance to impose the 0.5%* premier resort area tax:

Municipality	Effective Date of Tax
Village of Lake Delton*	April 1, 1998
City of Wisconsin Dells*	July 1, 1998
City of Bayfield	January 1, 2003
City of Eagle River	October 1, 2006

Note: If other municipalities or counties adopt the premier resort area tax at a future date, the Department of Revenue will notify affected retailers in the premier resort area.

*The tax rate will increase to 1.0% on January 1, 2010 in the Village of Lake Delton and the City of Wisconsin Dells.

This publication provides information about the premier resort area tax, including who is subject to the tax, which sales are subject to the tax, and how to file returns to report the tax due.

The Wisconsin Department of Revenue is responsible for administering the premier resort area tax and distributing the tax to the municipalities or counties that adopt the tax.

Note: Certain sales and purchases which are subject to the 5% state sales and use taxes may also be subject to the: (a) 0.5% county sales and use taxes, (b) 0.1% baseball stadium sales and use taxes, and (c) 0.5% football

stadium sales and use taxes. Additional information about these taxes is contained in [Publication 201](#).

Effective October 1, 2009, all retailers that are registered in Wisconsin to collect and remit the 5% Wisconsin state sales and use tax are also required to collect and remit the applicable county and stadium sales and use taxes for any sales that are sourced to a county or stadium district that has adopted the applicable county or stadium sales or use tax. This provision applies regardless of whether the retailer is “engaged in business” in the county or stadium district to which the sale is sourced. (Section 77.73 (3), Wis. Stats., as created by 2009 Wisconsin Act 2 and amended by 2009 Wisconsin Act 28.) See Part III.A. on pages 3 and 4 for information about when a retailer is subject to the premier resort area tax.

Example: Retailer A is located in La Crosse County. Retailer A is not engaged in business in any county other than La Crosse County. Retailer A sells a taxable product to Customer B. Customer B is located in Dane County, Wisconsin. Retailer A sends the product by U.S. Mail to Customer B. Customer B receives the product at its location in Dane County. Retailer A is required to collect and remit both the Wisconsin state sales tax and the Dane County sales tax since the sale is sourced to Customer B’s location in Dane County, even though Retailer A is not “engaged in business” in Dane County.

Prior to October 1, 2009, a retailer was only required to collect and remit the county and/or stadium sales and use taxes if the retailer was “engaged in business” in the applicable county and/or stadium district.

II. WHICH SALES ARE SUBJECT TO THE TAX?

Sales, licenses, leases, and rentals of the following property, items, and goods are subject to the 5% Wisconsin state sales tax, and are also subject to the 0.5% or 1.0% premier resort area tax, if both of the conditions in Part III.A. are met:

- A. Tangible personal property;

- B. Coins or stamps of the United States that are sold, licensed, leased, rented, or traded as collector's items above their face value;
- C. Leased tangible personal property that is affixed to real property, if the lessor has the right to remove the leased property upon breach or termination of the lease agreement, unless the lessor of the leased property is also the lessor of the real property to which the leased property is affixed.
- D. Specified digital goods, additional digital goods, and digital codes. These digital goods are characterized by the fact that they are transferred electronically to the purchaser (i.e., accessed or obtained by the purchaser by means other than tangible storage media). "Specified digital goods" means "digital audio works," "digital audiovisual works," and "digital books." "Additional digital goods" means greeting cards, finished artwork, periodicals, video or electronic games, and newspapers or other news or information products. See [Publication 240](#) for a description of the products that are included.

In addition, certain services are subject to the 5% Wisconsin state sales tax, and are also subject to the 0.5% premier resort area tax, if both of the conditions in Part III.A. are met. For a list of taxable services, see Part X.B. of [Publication 201](#).

III. WHO IS SUBJECT TO THE PREMIER RESORT AREA TAX?

A. Which Retailers Are Subject to the Tax?

Every retailer making retail sales, licenses, leases, or rentals of the property, items, or goods listed in Part II.A., B., C., or D. or taxable services, that are subject to the 5% Wisconsin state sales tax, is also subject to the 0.5% premier resort area tax (1.0% for the City of Wisconsin Dells and the Village of Lake Delton, effective January 1, 2010) on such sales, licenses, leases, or rentals if both of the following conditions are met:

1. The sale, license, lease, or rental is "sourced" to a premier resort area (see Part III.C. on pages 4-8), and

2. The retailer is classified in the Standard Industrial Classification Manual, 1987 Edition, published by the U.S. Office of Management and Budget, under one of the following 21 industry numbers:

- 5331 – Variety stores.
- 5399 – Miscellaneous general merchandise stores.
- 5441 – Candy, nut, and confectionary stores.
- 5451 – Dairy product stores.
- 5461 – Retail bakeries.
- 5541 – Gasoline service stations.
- 5812 – Eating places.
- 5813 – Drinking places.
- 5912 – Drug stores and proprietary stores.
- 5921 – Liquor stores.
- 5941 – Sporting goods stores and bicycle shops.
- 5946 – Camera and photographic supply stores.
- 5947 – Gift, novelty, and souvenir shops.
- 7011 – Hotels and motels.
- 7032 – Sporting and recreational camps.
- 7033 – Recreational vehicle parks and campsites.
- 7948 – Racing, including track operation.
- 7992 – Public golf courses.
- 7993 – Coin-operated amusement devices.
- 7996 – Amusement parks.
- 7999 – Amusement and recreational services, not elsewhere classified.

Effective July 27, 2005, any retailer that would have been classified in one of the industry numbers above, except for the fact that it is a retail outlet for a manufacturer or wholesaler, will be considered to be classified in one of the industry numbers above for purposes of the premier resort area tax.

In addition to retailers in the above industry numbers, effective September 1, 2005, retailers

in the following 23 industry numbers are also subject to the premier resort area tax:

- 5311 – Department stores.
- 5499 – Miscellaneous food stores.
- 5611 – Men’s and boys’ clothing and accessory stores.
- 5621 – Women’s clothing stores.
- 5632 – Women’s accessory and specialty stores.
- 5641 – Children’s and infants’ wear stores.
- 5651 – Family clothing stores.
- 5661 – Shoe stores.
- 5699 – Miscellaneous apparel and accessory stores.
- 5942 – Bookstores.
- 5943 – Stationery stores.
- 5944 – Jewelry stores.
- 5945 – Hobby, toy, and game shops.
- 5948 – Luggage and leather goods stores.
- 5949 – Sewing, needlework, and piece goods stores.
- 5992 – Florists.
- 5993 – Tobacco stores and stands.
- 5994 – News dealers and newsstands.
- 5999 – Miscellaneous retail stores.
- 7922 – Theatrical producers (except motion picture) and miscellaneous theatrical services.
- 7929 – Bands, orchestras, actors, and other entertainers and entertainment groups.
- 7991 – Physical fitness facilities.
- 7997 – Membership sports and recreation clubs.

Note 1: A description of each of the above industry classifications is available on the Department of Revenue’s web site at: www.revenue.wi.gov/faqs/pcs/premier.html#premier3. These descriptions should help determine the proper industry classification of a retailer’s business under the

1987 Standard Industrial Classification (SIC) Manual. If there is a dispute as to the proper classification of a retailer’s business, the Department of Revenue’s decision on the proper classification is final.

Note 2: No retailer is liable for the premier resort area tax imposed on a transaction in which the retailer charged and collected the incorrect amount of premier resort area tax on the sale of a product that was shipped to the purchaser’s location within a premier resort area, until a database identifying the addresses subject to each premier resort area tax is available to all retailers. This relief from liability does not apply to transactions which are sourced to the retailer’s place of business under Part III.C.1.a. on page 5.

Note 3: Prior to October 1, 2009, a third condition applied: A retailer was only subject to a premier resort area tax if the retailer was “engaged in business” in that premier resort area.

B. Buyers

The premier resort area tax is not imposed on the buyer. However, the tax imposed on the retailer may be passed on to the buyer.

The buyer does not become liable to the Department of Revenue for the premier resort area tax if the retailer fails to charge the tax to the buyer.

Example: Company A is a jewelry store located outside Wisconsin and is classified in the Standard Industrial Classification Manual, 1987 Edition, under classification 5944. Company A sells jewelry for \$500 to Individual B and ships the jewelry to Individual B’s home in the City of Eagle River. Company A does not collect the premier resort area tax on the sale. Individual B is not liable for the City of Eagle River premier resort area tax.

C. Where Does a Sale, License, Lease, or Rental Take Place?

The location where a sale, license, lease, or rental takes place is the location where the transaction is “sourced.” The premier resort area tax can only apply to a transaction that is sourced to a premier resort area.

1. Sourcing Sales of Tangible Personal Property, Certain Coins and Stamps, and Certain Leased Property (the property and items listed in Part II.A., B., and C.)

Note: “Receive,” as used in Part III.C.1. means taking possession of the property or items. Receive does not include a shipping company taking possession of the property or items on a purchaser’s behalf.

- a. If the purchaser receives the property or item at the seller’s business location, the sale is sourced to that business location. (Exception for *county* tax: Sales of motor vehicles, boats, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., and aircraft are sourced to the county where the item will be customarily kept.)

Example 1 - General: A person buys a bicycle for \$200 from a bicycle shop in the Village of Lake Delton premier resort area. The buyer takes possession of the bicycle at the retailer’s business location in the Village of Lake Delton and then brings the bicycle to his home in Madison (which has no premier resort area tax). Since the sale was sourced to the Village of Lake Delton (the place where the buyer took possession of the bicycle), it is subject to the 0.5% Village of Lake Delton premier resort area tax of \$1.00 ($\$200 \times 0.5\% = \1.00). (Note: If the sale occurs on or after January 1, 2010, the applicable Village of Lake Delton premier resort area tax rate is 1.0%.) The retailer is also subject to the 5% state tax and the 0.5% Sauk County tax.

Example 2 - Snowmobiles, trailers, semi-trailers, and all-terrain vehicles: Individual A, who lives in Ashland County (not a premier resort area), purchases a snowmobile from Retailer B for \$5,000. Retailer B is located in the City of Bayfield (a premier resort area), is primarily engaged in the business of selling sporting goods, and is classified in the Standard Industrial Classification Manual, 1987 Edition, under classification 5941. The City of Bayfield is located in Bayfield County. Individual A

picks up the snowmobile at Retailer B’s location in the City of Bayfield. The snowmobile is customarily kept in Ashland County.

Retailer B is subject to the 5% state sales tax, the 0.5% Bayfield County tax, and the 0.5% City of Bayfield premier resort area tax on this sale. Retailer B is subject to the Bayfield County tax because the buyer received the snowmobile in Bayfield County (i.e., the sale is sourced to Bayfield County). Retailer B is also subject to the City of Bayfield premier resort area tax on this sale because the sale is sourced to the City of Bayfield premier resort area and Retailer B is classified in the Standard Industrial Classification Manual under classification 5941.

Example 3 - Motor vehicles, boats, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., and aircraft: Retailer C operates a hotel in the City of Wisconsin Dells and is classified in the Standard Industrial Classification Manual, 1987 Edition, under classification 7011. On November 30, 2009, Retailer C sells a motor vehicle that it used in its hotel business to Individual D, who lives in Milwaukee (not a premier resort area). Individual D receives the vehicle in the City of Wisconsin Dells and will customarily keep the vehicle in Milwaukee County. Retailer C is subject to a 6.1% tax on this sale. This is comprised of the 5% state sales tax, the 0.5% Milwaukee County use tax, the 0.1% baseball stadium district use tax, and the 0.5% City of Wisconsin Dells premier resort area tax. Retailer C is subject to the Milwaukee County and baseball stadium taxes because the buyer will customarily keep the vehicle in Milwaukee County, which is within the baseball stadium district. Retailer C is subject to the City of Wisconsin Dells premier resort area tax because the buyer received the vehicle in the City of Wisconsin Dells and Retailer C is classified in the Standard Industrial Classification Manual under classification 7011.

- b. If Part a. does not apply, the sale is sourced to the location where the purchaser, or the purchaser's designated donee, receives the product, including the location indicated by the instructions known to the seller for delivery to the purchaser or the purchaser's designated donee.

Example: A person buys clothing from a clothing store in Madison, Wisconsin (which has no premier resort area tax). The clothing store hires a shipping company to deliver the clothing, and it is delivered to the buyer in the Village of Lake Delton. The clothing store is subject to the 5% state sales tax, the 0.5% Sauk County tax, and the 0.5% Village of Lake Delton premier resort area tax on its sale of the clothing. (Note: If the sale occurs on or after January 1, 2010, the applicable Village of Lake Delton premier resort area tax rate is 1.0%.)

- c. If Parts a. and b. do not apply, the sale is sourced to the purchaser's address as indicated by the seller's business records, if the records are maintained in the ordinary course of the seller's business and if using that address to establish the location of a sale is not in bad faith.
- d. If Parts a., b., and c. do not apply, the sale is sourced to the purchaser's address as obtained during the consummation of the sale, including the address indicated on the purchaser's payment instrument, if no other address is available and if using that address is not in bad faith.
- e. If the location of a sale cannot be determined under Parts a., b., c., and d., including the circumstance in which the seller has insufficient information to determine the locations under Parts a., b., c., and d., the sale is sourced to the location from which the property or item is shipped. (**Exception:** If the item sold is computer software delivered electronically and the location of a sale cannot be determined under Parts a., b., c., and d., including the circumstance in which the seller has insufficient information to determine the

locations under Parts a., b., c., and d., the sale is sourced to the location from which the computer software was first available for transmission by the seller, not including any location that merely provided the digital transfer of the computer software.)

2. Sourcing Sales of Digital Goods

- a. If the purchaser takes possession or makes first use of the digital good at the seller's place of business, the sale is sourced to that location.
- b. If Part a. does not apply, the sale is sourced to the location where the purchaser, or the purchaser's designated donee, takes possession or makes first use of the digital good, including the location indicated by the instructions known to the seller for delivery to the purchaser or the purchaser's designated donee.
- c. If Parts a. and b. do not apply, the sale is sourced to the purchaser's address as indicated by the seller's business records, if the records are maintained in the ordinary course of the seller's business and if using that address to establish the location of a sale is not in bad faith.
- d. If Parts a., b., and c. do not apply, the sale is sourced to the purchaser's address as obtained during the consummation of the sale, including the address indicated on the purchaser's payment instrument, if no other address is available and if using that address is not in bad faith.
- e. If the location of a sale of the digital good cannot be determined under Parts a., b., c., and d., including the circumstance in which the seller has insufficient information to determine the location under Parts a., b., c., and d., the sale is sourced to the location from which the digital good was first available for transmission by the seller, not including any location from which the digital good was merely transferred electronically.

3. Sourcing Sales of Services

- a. If the purchaser makes first use of the service at the seller's business location, the service is sourced to that business location.
- b. If Part a. does not apply, the service is sourced to the location where the purchaser, or the purchaser's designated donee, makes first use of the service, including the location indicated by the instructions known to the seller for delivery to the purchaser or the purchaser's designated donee.
- c. If Parts a. and b. do not apply, the service is sourced to the purchaser's address as indicated by the seller's business records, if the records are maintained in the ordinary course of the seller's business and if using that address to establish the location of the service is not in bad faith.
- d. If Parts a., b., and c. do not apply, the service is sourced to the purchaser's address as obtained during the consummation of the sale, including the address indicated on the purchaser's payment instrument, if no other address is available and if using that address is not in bad faith.
- e. If the location of a sale cannot be determined under Parts a., b., c., and d., including the circumstance in which the seller has insufficient information to determine the locations under Parts a., b., c., and d., the service is sourced to the location from which the service is furnished.

Note: The sourcing of services for purposes of the premier resort area tax is the same as for Wisconsin county sales tax purposes.

4. Sourcing Leases, Rentals, and Licenses of Tangible Personal Property, Certain Coins and Stamps, Certain Leased Property, and Digital Goods (the property and items listed in Part II.A., B., C., and D.). See Exceptions in Parts III.C.5. and 6.

- a. The first or only payment on the lease, rental, or license is sourced to the location determined in Part III.C.1. or 2.
 - b. Subsequent periodic payments on the lease, license, or rental are sourced to the property's, item's, or good's primary location, as indicated by an address for the property, item, or good that is provided by the lessee and that is available to the lessor in records that the lessor maintains in the ordinary course of the lessor's business, if the use of such an address does not constitute bad faith. The location of a lease, license, or rental as determined under this paragraph is not altered by any intermittent use of the property, item, or good at different locations.
- ### 5. Exception to Part III.C.4 - Sourcing Leases, Rentals, and Licenses of Motor Vehicles, Trailers, Semitrailers, and Aircraft that are not "Transportation Equipment" as defined in Part III.C.6.
- a. *Only one payment required.* With regard to a lease, rental, or license of a motor vehicle, trailer, semitrailer, or aircraft, that is not "transportation equipment," and that requires only one payment, the lease, rental, or license is sourced to the location determined in Part III.C.1.
 - b. *More than one payment required.* The lease, rental, or license of a motor vehicle, trailer, semitrailer, or aircraft, that is not "transportation equipment," is sourced to the primary location of such motor vehicle, trailer, semitrailer, or aircraft as indicated by an address for the property that is provided by the lessee and that is available to the lessor in records that the lessor maintains in the ordinary course of the lessor's business, if the use of such an address does not constitute bad faith. The location of a lease, license, or rental as determined under this paragraph is not altered by any intermittent use of the property, item, or good at different locations.

6. Exception to Part III.C.4. – Sourcing Leases, Rentals, and Licenses of “Transportation Equipment”

The lease, rental, or license of transportation equipment is sourced to the location determined in Part III.C.1.

Note: “Transportation equipment” means any of the following:

- a. Locomotives and railcars that are used to carry persons or property in interstate commerce.
- b. Trucks and truck tractors that have a gross vehicle weight rating of 10,001 pounds or greater, trailers, semitrailers, and passenger buses, if such vehicles are registered under the international registration plan under sec. 341.405, Wis. Stats., and operated under the authority of a carrier that is authorized by the federal government to carry persons or property in interstate commerce.
- c. Aircraft that are operated by air carriers that are authorized by the federal government or a foreign authority to carry persons or property in interstate or foreign commerce.
- d. Containers that are designed for use on the vehicles described in Parts a., b., and c., above, and component parts attached to or secured on such vehicles.

IV. WHAT TYPES OF TANGIBLE PERSONAL PROPERTY, ITEMS, PROPERTY, GOODS, AND SERVICES ARE TAXABLE?

If a retailer meets the two conditions listed in Part III.A. on pages 3–4 of this publication (i.e., (1) the sale, license, lease, or rental is sourced to a premier resort area, and (2) the retailer is properly classified in one of the enumerated industry classification codes), the same types of property, items, goods, and services that are subject to the 5% Wisconsin state sales tax are also subject to the 0.5% premier resort area tax. The premier resort area tax may not be imposed on any types of

property, items, goods, or services that are not subject to the 5% Wisconsin state sales tax.

If property, items, goods, or services are exempt from the 5% Wisconsin state sales tax, they are also exempt from the 0.5% premier resort area tax.

V. TRANSITIONAL PROVISIONS

A. Adoption of Premier Resort Area Tax

Services subject to the 5% Wisconsin state sales tax are not subject to the premier resort area tax if those services are billed to the customer and paid for before the effective date of the premier resort area tax, (i.e., April 1, 1998 in the Village of Lake Delton; July 1, 1998 in the City of Wisconsin Dells; January 1, 2003 in the City of Bayfield; July 27, 2005 for retail outlets of manufacturers and wholesalers which, when standing by themselves, would be classified under one of the first 21 SIC codes identified in the right-hand column on page 3 of this publication; September 1, 2005 for the industries and retailers in the 23 additional SIC codes that became subject to the tax on September 1, 2005, and October 1, 2006 in the City of Eagle River). This is true regardless of whether the service is furnished to the customer before or after that date.

Sales, licenses, leases or rentals of tangible personal property that a retailer is obligated to furnish at a fixed price under a contract entered into before the effective date of the premier resort area tax are not subject to the premier resort area tax. However, once the contract is terminated, extended, renewed or modified on or after the effective date of the premier resort area tax, the sales price from the sale, lease or rental from that time forward are subject to the premier resort area tax.

Example: Retailer A, engaged in business in a premier resort area, is classified under SIC code 5311 (i.e., an SIC code that was not required to collect and remit the premier resort area tax until September 1, 2005). On August 15, 2005, Retailer A enters into a contract with Individual B to sell Individual B a television at a fixed price of \$527.50 (i.e., \$500 for the television, \$25 in state sales tax and \$2.50 in county sales tax). The television is not available until September 6, 2005. Individual B picks up the television at Retailer A’s store on Sep-

tember 6, 2005. Since Retailer A entered into a contract to sell Individual B a television prior to the effective date that Retailer A was subject to the premier resort area tax (i.e., prior to September 1, 2005), Retailer A's sales price from the sale of this television are not subject to the premier resort area tax.

B. Increase in Premier Resort Area Tax Rate

1. For *sales* of property, items, and goods listed in Parts II.A., B., C., and D., an increase in the premier resort area tax rate is effective on the date of the rate increase. The time when a sale is completed is determined as follows:

- Sales of tangible personal property, certain coins and stamps, and certain leased property (the property and items listed in Parts II.A., B., and C.). A sale involving transfer of ownership is completed at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent, except that a common carrier or the U.S. Postal Service is considered the agent of the seller, regardless of any f.o.b. point and regardless of the method by which freight or postage is paid.
- Sales of specified digital goods, additional digital goods, and digital codes (the digital goods listed in Part II.D.). A sale involving a digital good is completed at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent or when the digital good is first used, whichever comes first.
- Sales of products transferred electronically, including digital goods, that are sold by subscription, are completed at the time when the payment for the subscription is due to the seller. For this purpose, "subscription" means an agreement with a seller that grants the consumer the right to obtain products transferred electronically from within one or more product categories having the same tax treatment, in a fixed quantity or for a fixed period of time, or both.

Example – Sale of Tangible Personal Property: Retailer A is a bookstore located in the Village of Lake Delton and is classified in the Standard Industrial Classification Manual, 1987 Edition, under classification 5942. On December 20, 2009, Customer B places an order for a book from Retailer B. On January 1, 2010, Retailer B notifies Customer B that the book has arrived and Customer B goes to Retailer B's store and picks up the book. The sale of the book is subject to the 1.0% Village of Lake Delton premier resort area tax because the sale occurred on January 1, 2010 when Retailer A transferred possession of the book to Customer B.

2. For *taxable services or the lease, rental, or license* of the property, items, and goods listed in Parts II.A., B., C., and D., an increase in the premier resort area tax rate is effective with the first billing period starting on or after the date of the rate increase, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after that date.

Example: Retailer C is an RV park and campground located in the City of Wisconsin Dells and is classified in the Standard Industrial Classification Manual, 1987 Edition, under classification 7033. Customer D rents space in Retailer C's park for his recreational vehicle on an annual basis. Customer D does not use the park as his primary residence. The billing period is May 1 through April 30. The admission charged by Retailer C to Customer D for the period of May 1, 2009 to April 30, 2010 is subject to the 0.5% City of Wisconsin Dells premier resort area tax. The admission charged by Retailer C to Customer D for the period of May 1, 2010 to April 30, 2011 is subject to the 1.0% City of Wisconsin Dells premier resort area tax.

VI. REGISTRATION

No permit or registration from the Department of Revenue, in addition to your seller's permit, is required by a person for purposes of collecting and remitting the premier resort area tax.

Although a separate permit is not required to collect and remit the premier resort area tax, you must contact the Department of Revenue either by telephone, e-mail or U.S. Mail at the address below to register for the premier resort area tax and obtain your premier resort area tax returns.

Registration Section – Mail Stop 5-77
 Wisconsin Department of Revenue
 P. O. Box 8949
 Madison, WI 53708-8949

(608) 266-2776

dorregunit@revenue.wi.gov

When contacting the Registration Section, you will need to provide your (1) business name; (2) mailing address; and (3) current tax account number under which you are reporting your Wisconsin sales tax.

VII. COMPUTING THE TAX

A. Tax Is Imposed on Sales Price

The 0.5% premier resort area tax is imposed on a retailer's "sales price." "Sales price" is the total amount of retail sales of tangible personal property, certain coins and stamps, certain leased property, specified digital goods, additional digital goods (the property and items listed in Parts II.A.,B.,C., and D.) and taxable services, whether received in money or something other than money. If the buyer is charged by the retailer for the delivery of the products or services, the transportation charges must also be included in the sales price subject to the premier resort area tax.

Sales price for purposes of the premier resort area tax is computed in the same manner as for Wisconsin state sales tax purposes.

Example: Company A, a camera store located in the City of Eagle River and classified in the Standard Industrial Classification Manual, 1987 Edition, as 5946, sells a camera to Customer B for \$90 plus a delivery charge of \$10. Customer B obtains possession of the camera in the City of Eagle River premier resort area. Company A computes the sales tax due on the camera as follows:

Selling price of camera	\$ 90.00
Delivery charge	<u>10.00</u>
Sales price subject to tax	\$100.00
State sales tax due (\$100 x 5%)	5.00
Vilas County sales tax due (\$100 x 0.5%)	0.50
City of Eagle River premier resort area sales tax due (\$100 x 0.5%)	<u>0.50</u>
Total due	<u>\$106.00</u>

B. Collecting the Tax From Customers

The premier resort area tax imposed on a retailer may be passed on to the customer. However, the retailer is subject to the premier resort area tax, even if the tax is not collected from the customer.

It is illegal for a retailer to state or advertise that the premier resort area tax or any part of the tax will be assumed or absorbed by the retailer.

A retailer may use the bracket system or a straight mathematical computation to compute the amount of premier resort area tax which may be collected from the retailer's customers.

Computing the Tax to Collect

The following bracket systems represent straight mathematical computations and may be used by retailers in computing the amount of the premier resort area tax which may be collected from the retailer's customers.

Note: The Village of Lake Delton, City of Wisconsin Dells, City of Bayfield, and City of Eagle River premier resort areas are all located in counties with the 0.5% county tax. Therefore, until January 1, 2010, a 6% tax rate is used on taxable sales in all four premier resort areas (5% state tax + 0.5% county tax + 0.5% premier resort area tax = 6%).

On and after January 1, 2010, the 6% tax rate will still apply for taxable sales in the City of Bayfield and the City of Eagle River, but a 6.5% tax rate will apply for taxable sales in the City of Wisconsin Dells and the Village of Lake Delton.

Computing 6% Tax:

Amount of Taxable Sale		6% Tax Collectible
\$.01	to \$.08	0¢
.09	to .24	1¢
.25	to .41	2¢
.42	to .58	3¢
.59	to .74	4¢
.75	to .91	5¢
.92	to 1.08	6¢

On sales exceeding \$1.00, the tax equals 6¢ for each full dollar of sales, plus the tax shown above for the applicable fractional part of a dollar.

Computing 6.5% Tax (Applies Only to Sales on and after January 1, 2010 in the City of Wisconsin Dells and the Village of Lake Delton):

Amount of Taxable Sale		6.5% Tax Collectible
\$.01	to \$.07	0¢
.08	to .23	1¢
.24	to .38	2¢
.39	to .53	3¢
.54	to .69	4¢
.70	to .84	5¢
.85	to .99	6¢
1.00	to 1.15	7¢
1.16	to 1.30	8¢
1.31	to 1.46	9¢
1.47	to 1.61	10¢
1.62	to 1.76	11¢
1.77	to 1.92	12¢
1.93	to 2.00	13¢

On sales exceeding \$2.00, the tax equals 13¢ for each \$2 of sales, plus the tax shown above for the fractional part of \$2.

If more than one taxable item is sold in a single transaction, the tax is computed either on the sales price of each item sold or on the aggregate sales price of the taxable items sold.

The premier resort area tax payable to the Department of Revenue by a retailer on retail sales is 0.5% times the retailer's taxable sales price, regardless of the amount of tax collected from customers (1.0%

effective January 1, 2010 in the City of Wisconsin Dells and the Village of Lake Delton).

Straight Mathematical Computation

A retailer may determine the amount of tax due on a transaction either by multiplying the 6.0% or 6.5% tax rate times the sales price of each taxable item individually or by multiplying the aggregate sales price of all taxable items sold in a transaction. The tax collectible from the customer is rounded to the nearest \$.01 by using the following rounding procedures:

- (a) For amounts less than \$.005, the amount shall be rounded down to the next lowest penny.

Example 1: Tax computed at \$.0849999 would be rounded down to \$.08.

Example 2: Tax computed at \$3.2549 would be rounded down to \$3.25.

- (b) For amounts equal to or greater than \$.005, the amount shall be rounded up to the next highest penny.

Example 1: Tax computed at \$.0850000 would be rounded up to \$.09.

Example 2: Tax computed at \$6.455001 would be rounded up to \$6.46.

VIII. ACCOUNTING METHODS

The accrual method of accounting must be used by all retailers to determine and report their gross receipts, with one exception. The Department of Revenue may, if it is satisfied that an undue hardship would result from using the accrual method, permit some other method such as the cash method of accounting. Before using some other method, written approval must be obtained from the department. Written approval is not required to use the accrual method.

IX. FILING RETURNS AND PAYING THE TAX

A. Which Form to Use

The premier resort area tax is reported on the Premier Resort Area Tax Return (Form PRA-012). (**Note:** Do **not** report the premier resort area tax on a Wisconsin sales and use tax return (Form ST-12).)

B. How Often Must a Return be Filed?

A return must be filed for each “reporting period,” even if no tax is due for that period. The reporting period will begin as quarterly. Depending on the amount of the premier resort area tax liability, at some future date the Wisconsin Department of Revenue may notify the retailer in writing that the returns must be filed monthly or annually.

To file and pay your premier resort area tax, use the department’s Internet-based filing service, *My Tax Account*. For information about how to use *My Tax Account*, go to www.revenue.wi.gov/faqs/my_tax_account/quick_start.html.

C. Due Date for Filing

Each return will be preprinted with the due date by which the return must be filed. Returns for a quarterly period must be filed by the last day of the first month following the end of the quarter.

D. Seasonal Retailers

If a retailer is open for business only part of the year, the retailer may be allowed to file returns on a seasonal basis. To file on a seasonal basis, submit a written request to: Premier Resort Area Taxes, Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949. The written request should include the retailer’s name, address, and tax account number, the beginning month of operation, and the closing month of operation.

E. Obtaining an Extension of Time to File

If a retailer cannot file the return by the due date, the retailer may request an extension of time to file

before the due date through *My Tax Account*, on the premier resort area tax page.

The department may grant an additional month from the due date of the return to file. The department will notify the retailer if the extension is granted. If the tax is not paid by the unextended due date, the tax will be subject to 1% interest per month during the extension period and 1.5% interest per month thereafter.

F. Payment of Tax

My Tax Account offers you the following payment options: paying with a credit card, paying with bank direct debit, and paying by check or money order using a payment voucher.

X. INTEREST AND PENALTIES

A. Interest

1. Refunds

Refunds of the premier resort area tax will bear interest at the rate of 9% per year.

2. Amounts due

Additional premier resort area taxes due as a result of an audit by the Wisconsin Department of Revenue or as a result of filing an amended return will be subject to interest at the rate of 12% per year until such tax is paid or becomes delinquent. Premier resort area tax that is delinquent will be subject to interest at the rate of 18% per year.

B. Penalties

If a retailer does not file returns, does not pay the tax by the due date of the return, or files incorrect returns, the following civil penalties may be imposed (this list is not all inclusive):

1. Failure to File or Pay By the Due Date

- Late filing fee - \$20 charge for not filing a return by the due date.

- Negligence penalty - 5% of the tax due for each month (or part of a month) the return is filed after the due date because of negligence. The maximum negligence penalty for late filing is 25% of the tax due.
- Fraud penalty - 50% of the tax not paid if there was intent to defeat or evade the tax.

2. Filing Incomplete or Incorrect Returns

- Negligence penalty - 25% of the additional taxes due if there was negligence in filing the return.
- Fraud penalty - 50% of the additional taxes due if there was intent to defeat or evade the taxes.

In addition, criminal penalties relating to the premier resort area tax may also apply.

XI. CORRECTING AN ERROR

A. Underpayments

If a retailer files a return and later becomes aware that an error was made on the return due to underreporting the premier resort area tax due, the retailer should file an amended return with the Wisconsin Department of Revenue.

The Premier Resort Area Tax Return is used to file an amended return. Write "Amended Return" at the top of this return and complete the return using the amounts that should have been reported. Include a copy of the Premier Resort Area Tax Return previously filed, along with a letter explaining the changes.

Amended returns should be sent to the Wisconsin Department of Revenue, Mail Stop 3-56, P.O. Box 8946, Madison, WI 53708-8946.

B. Overpayments - Claims for Refund

If a retailer determines that the premier resort area tax was overpaid to the Wisconsin Department of Revenue, a claim for refund of the overpaid tax may

be filed if certain conditions are met. The time limitations in which a claim may be filed and other conditions which must be met are the same as for Wisconsin sales and use taxes. For more information, see [Publication 216](#), *Claims for Refund of Sales or Use Tax*.

XII. RECORDKEEPING

A retailer required to file premier resort area tax returns must keep adequate records of transactions to enable the retailer and the Wisconsin Department of Revenue to determine the correct premier resort area tax due.

XIII. YOU MAY BE AUDITED

Persons subject to the premier resort area tax may be audited by the Wisconsin Department of Revenue. A person will be contacted prior to any audit so that a convenient time can be arranged to examine the records. A person is required to make available the records for the premier resort area tax as well as records for other taxes.

The requirements that apply for Wisconsin sales and use tax purposes, relating to exemption certificates or other documentation that a sale or rental is exempt, also apply to the premier resort area tax.

XIV. IF YOU HAVE QUESTIONS OR NEED ASSISTANCE

If you have a question, visit our web site, write to the department in Madison or call the number below:

Write . . . Wisconsin Department of Revenue
Mail Stop 5-77
P.O. Box 8949
Madison, WI 53708-8949

Telephone . . . (608) 266-2776

TTY . . . (608) 267-1049

Fax . . . (608) 267-1030

E-Mail . . . sales10@revenue.wi.gov

Visit our web site . . . www.revenue.wi.gov