



Important Rate Changes!

BEGINNING JANUARY 1, 2024:

- Milwaukee County sales and use tax rate increases from 0.5% to 0.9%
- City of Milwaukee imposes a new 2% sales and use tax
- See [Fact Sheet 2414 Milwaukee Sales and Use Taxes](#)

See the [Sales Tax Rate Chart](#) for a complete list of county sales and use tax rates and their effective dates

Funeral Homes

How Do Wisconsin Sales and Use Taxes Affect Your Business?

TABLE OF CONTENTS

	Page
1. INTRODUCTION	3
General	3
2. NATURE OF SALES AND USE TAX	3
A. Who Is Subject to Sales Tax?	3
B. What Is Taxable?	4
C. Seller's Permit	4
D. What Is Use Tax?	4
3. SALES BY FUNERAL HOMES.....	5
A. Funeral Services	5
B. Sales of Caskets and Burial Vaults Are Exempt	5
C. Sales of Containers That Are Not Caskets or Burial Vaults Are Taxable	5
D. Property and Services Used by Funeral Home in Providing Funeral Services.....	6
E. Property Transferred With Funeral Services	7
F. Sales of Property Without Funeral Services Are Taxable	9
G. Sales of Cremation Diamonds From Human Remains	9
H. Sales of Videos and Photographs Are Taxable	9
4. OCCASIONAL SALES.....	10
5. PURCHASES BY FUNERAL HOMES.....	11
A. Taxable Purchases	11
B. Nontaxable Purchases.....	13
6. KEEPING AWARE OF NEW SALES AND USE TAX DEVELOPMENTS	15
7. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE.....	15
APPENDIX: Form S-211 - Wisconsin Sales and Use Tax Exemption Certificate.....	16

IMPORTANT CHANGES

Several Counties Adopt the County Tax. The 0.5% tax in Sheboygan County became effective on January 1, 2017, and Kewaunee County tax became effective April 1, 2017. The 0.5% tax was also adopted by Brown and Calumet Counties, effective on January 1, 2018 and April 1, 2018, respectively.

Increase in Taxable Sales Threshold for the Occasional Sales Exemption. Beginning with sales made in 2018, the threshold for a funeral home's taxable sales that may qualify for the occasional sale exemption will increase from \$1,000 to \$2,000. Part 4.

Repair or Other Service to Parking Lot Lights in the Parking Lot of a Funeral Home. Information has been added to clarify that parking lot lights in a business (e.g., funeral home parking lot) retain their character as tangible personal property for purposes of repair or other services. A funeral home's purchase of such repair or service is subject to sales or use tax. Part 5.B(6).

1. INTRODUCTION

General

This publication explains how Wisconsin state sales and use taxes affect funeral homes. It includes examples of taxable and nontaxable sales and purchases.

The information in this publication relates to the state's 5% sales and use tax. Sales and purchases by funeral homes that are subject to the 5% state sales or use tax may also be subject to a: (a) 0.5% county sales or use tax and/or (b) 0.1% baseball stadium sales or use tax. Additional information about these taxes is contained in [Publication 201](#), *Wisconsin Sales and Use Tax Information*, on the department's website at revenue.wi.gov.

Note: The 0.5% football stadium sales and use tax ended on September 30, 2015.

CAUTION

The information in this publication reflects the positions of the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature and in effect as of October 1, 2017. Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this publication. Also note that lists of taxable or exempt items in this publication are not all-inclusive. They merely set forth common examples.

2. NATURE OF SALES AND USE TAX

A. Who Is Subject to Sales Tax?

Persons making retail sales of taxable products or services in Wisconsin are required to remit Wisconsin sales tax on these sales, unless an exemption applies. A seller making taxable sales may collect the tax from the consumer or user (i.e., the purchaser).

Department stores and restaurants are examples of retailers that sell taxable products and services. While funeral homes generally provide nontaxable funeral services, funeral homes may also make retail sales of taxable products and services.

B. What Is Taxable?

Sales, licenses, leases, and rentals of tangible personal property, certain coins and stamps, certain leased property affixed to realty, certain digital goods, and certain services are subject to the Wisconsin state sales tax.

Note: Certain sales by a funeral home are exempt from tax. See Part 3 for examples.

For further information about these taxable products and services, see [Publication 201](#), *Wisconsin Sales and Use Tax Information*.

C. Seller's Permit

A seller's permit shows that a person is registered with the Department of Revenue to make taxable sales. A retailer making sales of taxable products or services at retail in Wisconsin must register with the department prior to making taxable sales.

A funeral home may apply for a seller's permit by using the Department of Revenue's online [Business Tax Registration System](#). For additional information about how to obtain a seller's permit, see Part 3 of [Publication 201](#), *Wisconsin Sales and Use Tax Information*.

Information about filing sales and use tax returns is also provided in Part 8 of [Publication 201](#).

Note: A funeral home does not need a seller's permit if it does not make any sales of taxable products or services. See Part 3 for information about when a funeral home's sales and services are taxable.

D. What Is Use Tax?

Use tax is imposed upon the storage, use, or other consumption in Wisconsin of taxable products and services for which sales tax was not paid (e.g., seller is an out-of-state company), unless an exemption applies. Use tax is also imposed upon a purchaser when products are purchased without tax for an exempt purpose and used in Wisconsin by the purchaser in a taxable manner. Therefore, a funeral home may be subject to use tax on its purchases if the seller did not charge Wisconsin sales tax.

The use tax rate is the same as the sales tax rate and is based on the purchase price of the product. Part 5.A. provides examples of purchases by funeral homes that are subject to Wisconsin use tax.

How does a funeral home pay use tax?

If the funeral home is registered to collect Wisconsin sales or use taxes (i.e., holds a seller's permit), it should report and remit its use tax due using its Wisconsin sales and use tax return.

If the funeral home does not hold a seller's permit and:

1. The funeral home regularly makes purchases subject to use tax, it should apply for a Consumer's Use Tax Certificate by using the Department of Revenue's online [Business Tax Registration System](#) and report use tax on its Wisconsin sales and use tax return, or
2. The funeral home does not make purchases subject to use tax on a regular basis, it should report use tax quarterly on [Form UT-5](#), *Consumer Use Tax Return*.

For additional information, see [Fact Sheet 2104](#), *Wisconsin Use Tax*, on the Department of Revenue's website.

3. SALES BY FUNERAL HOMES

A. Funeral Services

Charges by funeral homes for the sale of funeral services are not subject to Wisconsin sales tax.

B. Sales of Caskets and Burial Vaults Are Exempt

Sales of caskets and burial vaults for human remains are exempt from Wisconsin sales tax. Examples include (list is not all-inclusive):

- Caskets, even if not used for burial
- Casket rentals used for viewing when a body is later cremated
- Burial vaults
- Cremation caskets that are cremated with the human remains
- Cremation boxes that are used for burial (i.e., used instead of a casket)
- Cremation urns
- Biodegradable scattering urns used for burial (i.e., urn is buried in ground or in water)
- Cremation urn vaults
- Outdoor memorials (e.g., sundials, wind chimes, bird baths) used to hold cremated remains
- Memento chests used to hold cremated remains
- Casket corner pieces that are sold as a part of the casket (e.g., permanently screwed into the casket)
- Appliqués or medallions that are sold as a part of the cremation urn (e.g., permanently glued or screwed to the urn)

Note: Charges for engraving services performed on exempt property from the list above, are not subject to Wisconsin sales tax.

C. Sales of Containers That Are Not Caskets or Burial Vaults Are Taxable

A funeral home's sale of a container that is not a casket or burial vault is subject to Wisconsin sales tax. Examples include (list is not all-inclusive):

- Cremation containers that are not caskets (Exception: Cremation containers are exempt if used for burial (i.e., used instead of a casket))
- Casket inserts that are used with rental caskets and later cremated with the body
- Scattering memorials used for transportation and scattering remains (i.e., scattering memorial is not buried in ground or in water)
- Miniature urns, jewelry, or other keepsake pieces that hold a small amount of cremated remains
- Urn bases, unless used to hold cremated remains (urn bases that hold a small portion of the cremated remains are taxable)

Note: Charges for engraving services performed on taxable property sold to customers from the list above, are subject to Wisconsin sales tax. The funeral home may purchase the engraving service without tax by providing its vendor with a fully completed exemption certificate (Appendix A), claiming resale.

Exception: A funeral home's charge for a container that is not a casket or burial vault, including the charge for engraving on the container, is not subject to Wisconsin sales tax if the container is transferred by the funeral home incidentally with funeral services (see Part 3.E. for more information).

D. Property and Services Used by Funeral Home in Providing Funeral Services

Charges by funeral homes for property and services used by the funeral home in providing funeral services are not subject to Wisconsin sales tax.

Exception: Charges by funeral homes for taxable products and services that are separate and optional from the sale of the funeral services are taxable.

Example 1: Funeral Home provides all funeral services and related property and services to Customer. Funeral Home offers several funeral service packages but requires Customer to purchase all property through Funeral Home. Customer selects the basic package which includes the following items that are used or supplied by Funeral Home in providing its services. Although billed separately, they are not optional to Customer:

- Biers
- Chemicals for embalming
- Church trucks (rolls casket from hearse to church)
- Cosmetics
- Cots and stretchers
- Embalming machinery
- Folding chairs
- Lowering machinery (lowers casket into grave)
- Sheets, towels, etc.
- Surgical instruments and tables
- Tents or canopies

Funeral Home itemizes the property furnished in providing the funeral service separately on the invoice to Customer. The total of all itemized charges for the basic package is \$5,000.

The \$5,000 charge to Customer is not subject to Wisconsin sales tax. Funeral Home is required to pay Wisconsin sales or use tax on its purchase of items (e.g., biers, cosmetics, embalming machinery etc.) used in providing the funeral services.

Note: See Part 5.A.(1) for information on a funeral home's purchases of property that it uses in providing funeral services.

Example 2: Same as *Example 1* in that Customer selects the basic package for \$5,000. Customer has the option to use Funeral Home's video projector for an additional charge of \$200. Customer elects to use Funeral Home's video projector for the funeral service. The \$5,000 charge to Customer for the basic funeral package is not taxable. The additional \$200 charge by Funeral Home to Customer for use of the video projector is subject to Wisconsin sales tax.

Example 3: Same as *Example 1*, except that Customer selects the silver package for \$6,000 instead of the basic package for \$5,000. Everything that is included in the basic package is also included in the silver package. However, the silver package also includes audio equipment, candlesticks, and a video projector that the Customer can use at its option. The \$6,000 charge to Customer for the silver funeral package is not taxable.

E. Property Transferred With Funeral Services

The tax treatment of separately stated charges for items sold by a funeral home depends on whether the item is transferred incidentally with the funeral services furnished.

"Incidental" means depending upon or appertaining to something else as primary; something necessary, appertaining to, or depending upon another which is termed the principal; or something incidental to the main purpose of the service. Property transferred by a service provider is incidental to the service if the purchaser's main purpose or objective is to obtain the service rather than the property, even though the property may be necessary or essential to providing the service.

- ***Funeral Home's Charge for Property Transferred Incidentally With Funeral Services is Not Taxable***

Charges by a funeral home for property transferred incidentally with funeral services are not subject to Wisconsin sales tax. The funeral home must pay sales or use tax on its purchase of property that is provided incidentally with funeral services, unless an exemption applies (e.g., casket for human remains).

If the customer does not have the option to (1) receive the property for a separate and optional fee, or (2) not receive the property (or obtain the property from another party) and pay a lesser amount, the funeral home is transferring the property incidentally with the service.

Example: Funeral Home is a full service funeral home that provides all funeral services and related property to Customer. Funeral Home requires Customer to purchase all property for the funeral through Funeral Home. Customer selects a funeral package which includes the following items which are used or supplied by Funeral Home in providing its services. Although billed separately, they are not optional to Customer, and the price paid for the funeral package will not decrease if Customer chooses to not use any of the items:

- Biers
- Candlesticks
- Chemicals for embalming
- Church trucks (rolls casket from hearse to church)
- Cosmetics
- Cots and stretchers
- Cremation box (used solely for cremation of the body)
- Embalming machinery
- Folding chairs
- Lowering machinery (lowers casket into grave)
- Sheets, towels, etc.
- Shipping container (used for transporting the body without a casket by common carrier)
- Shipping tray (used for transporting the body in a casket by common carrier)
- Surgical instruments and tables

- Temporary containers (for returning remains to the funeral home)
- Tents or canopies

In addition, Funeral Home includes in the selected funeral package the following items which will be transferred to Customer or persons attending the funeral service. These items are also billed separately but are not optional to Customer, and the price paid for the funeral package will not decrease if Customer does not choose any of the items:

- Crosses
- Memorial cards
- Mourner ribbons
- Prayer cards
- Register book
- Rosaries

Funeral Home itemizes the property furnished to Customer separately. The total of all itemized charges for the funeral package is \$7,000.

The \$7,000 charge to Customer for the funeral package is not subject to Wisconsin sales tax. The property physically transferred to Customer (e.g., crosses, memorial cards, etc.) is transferred incidentally with the funeral services. Funeral Home is required to pay Wisconsin sales or use tax on its purchase of items used in providing the funeral services (e.g., biers, candlesticks, etc.) and the property transferred incidentally (e.g., crosses, memorial cards, etc.) to Customer with the funeral services.

Note: See Part 5.A.(1) for information on a funeral home's purchases of property that is used or transferred incidentally with funeral services.

- ***Funeral Home's Charge for Property That Is Not Transferred Incidentally With Funeral Services Is Taxable***

A funeral home's charge for property that is not transferred incidentally to the purchaser with the sale of funeral services is subject to Wisconsin sales tax. Property is not transferred incidentally if the funeral home allows the purchaser to choose which property he or she wants for an addition charge and the purchaser has the option to purchase the property from the funeral home or from someone else.

Example: Funeral Home offers a funeral package that includes services of a funeral director and staff, embalming and other preparation of human remains, use of facilities and equipment for viewing, use of facilities for funeral service, graveside service, local use of hearse and funeral sedan, and casket or vault selection. The basic funeral package includes items that Funeral Home uses or transfers to Customer (e.g., candles, crosses, memorial cards, register book, etc.), which are not optional to Customer. The price will vary depending on the casket or vault chosen, but the casket or vault must be obtained through Funeral Home. Funeral Home charges \$7,000 for the funeral package.

Certain merchandise may be purchased for an additional charge from Funeral Home or may be purchased from other suppliers at Customer's option. Customer chooses to purchase these items from Funeral Home for an additional charge of \$3,000.

- Catered meal
- Flowers
- Jewelry

➤ Thank you cards

The \$7,000 charge to Customer for the funeral service package is not subject to Wisconsin sales tax. Funeral Home is required to pay Wisconsin sales or use tax on its purchase of items used or transferred incidentally to Customer with the funeral services.

The additional \$3,000 charge for the merchandise sold is subject to Wisconsin sales or use tax because the items are not transferred incidentally with the funeral service. Funeral Home may purchase the optional merchandise (i.e., property not transferred incidentally) without tax by providing its supplier with a fully completed exemption certificate (Appendix A), claiming resale.

Exception: Separately stated charges for caskets and burial vaults for human remains are not subject to Wisconsin sales tax, regardless of whether the charge is optional to the customer. The funeral home's purchase of the casket and burial vault is exempt from tax. See Part 3.B. for more information.

Note: See Part 5.B.(4) for information on a funeral home's purchases of property that is not transferred incidentally with funeral services.

F. Sales of Property Without Funeral Services Are Taxable

Sales by funeral homes of products and supplies without providing funeral services are subject to Wisconsin sales tax, unless an exemption applies (e.g., casket for human remains).

Note: The sale of products and supplies by a person who does not hold and is not required to hold a seller's permit may be exempt from Wisconsin sales tax if it qualifies as an occasional sale. See Part 4 for information on occasional sales.

G. Sales of Cremation Diamonds From Human Remains

Charges by funeral homes for diamonds made from human remains are subject to Wisconsin sales tax.

Example: Funeral Home provides funeral services and related property to customers. Customer elects to have a diamond made from the cremated human remains. Funeral Home contracts with Diamond Company to turn the cremation ashes into a diamond. Funeral Home charges Customer \$4,000 for funeral services and \$6,000 for the diamond. The \$4,000 charge for the funeral services is not subject to Wisconsin sales tax. The \$6,000 charge by Funeral Home to Customer for the diamond is subject to Wisconsin sales tax. Funeral Home may purchase the diamond from Diamond Company without tax by providing a fully completed exemption certificate (Appendix A), claiming resale.

Exception: Charges by funeral homes for diamonds made from human remains are not taxable if the diamonds are transferred incidentally with funeral services (see Part 3.E. for more information).

H. Sales of Videos and Photographs Are Taxable

Charges by funeral homes for videos and photographs are subject to Wisconsin sales tax.

Example: Funeral Home is a full service funeral home that provides funeral services and related property to customers. For a separate and optional fee, Customer elects to have the funeral service videotaped. Funeral Home contracts with Video Recorder to videotape the service and provide five copies on DVD. Funeral Home charges Customer \$5,000 for funeral services and \$1,000 for the DVDs. The \$5,000 charge for the funeral services is not subject to Wisconsin sales tax. The \$1,000 charge for the DVDs is subject to Wisconsin sales tax. **Note:** Charges for

additional copies of the service on DVD or in electronic format that Customer can download from a website at a later date (i.e., digital audiovisual work) are also subject to Wisconsin sales tax.

Funeral Home may purchase the DVDs from Video Recorder without tax by providing a fully completed exemption certificate (Appendix A), claiming resale.

Exception: Charges by funeral homes for the DVDs are not taxable if the DVDs are transferred incidentally with funeral services (see Part 3.E. for more information).

4. OCCASIONAL SALES

Sales of taxable products and services may be exempt from Wisconsin sales and use tax as occasional sales if certain conditions are met. If a funeral home's sales qualify for the occasional sale exemption, the funeral home is not required to remit Wisconsin sales tax on such sales.

A funeral home is required to pay Wisconsin sales or use tax on its purchases of taxable products and services which it resells as exempt occasional sales, unless an exemption applies (e.g., the funeral home is a nonprofit organization that holds a Wisconsin Certificate of Exempt Status number).

Note: Different standards apply for occasional sales made by nonprofit organizations. If the funeral home is a nonprofit organization, see [Publication 206](#), *Sales Tax Exemption for Nonprofit Organizations*, for information about the applicable occasional sale exemption.

A funeral home qualifies for the occasional sale exemption if:

- It does not hold and is not required to hold a Wisconsin seller's permit, and
- It meets either Condition 1 or Condition 2 below.

Condition 1 - Its "taxable sales" of products and services are less than \$1,000 during the calendar year. "Taxable sales" means total taxable receipts from sales of taxable products and services, after subtracting allowable deductions.

Note: In 2018, the "taxable sales" threshold in Condition 1 will increase from \$1,000 to \$2,000 for a calendar year.

Example: Funeral Home does not hold a Wisconsin seller's permit. Funeral Home sells crosses and candles during the year totaling \$1,200 in sales. Fully completed exemption certificates were provided to Funeral Home for \$300 of these sales. Funeral Home did not sell any other taxable products or services during the year.

Funeral Home's sales of the crosses and candles qualify for the occasional sale exemption because Funeral Home's "taxable sales" are less than \$1,000 (i.e., \$1,200 - \$300 = \$900). **Note:** Since Funeral Home's sales of the crosses and candles qualify for the occasional sale exemption, Funeral Home is not required to charge sales tax to the purchaser. However, Funeral Home is required to pay Wisconsin sales or use tax on its purchase price of the crosses and candles it sells.

Condition 2 - Its "taxable sales" of taxable products and services are \$1,000 or more during the calendar year, but (a) its sales of such property and services are isolated and sporadic, and (b) the facts and circumstances, including the sales price and gross profit, support the inference that the funeral home is not pursuing a business or part-time business as a vendor of taxable products or services.

Note: In 2018, the "taxable sales" threshold in Condition 2 will increase from \$1,000 to \$2,000 for a calendar year.

Example: Funeral Home does not hold a seller's permit. Funeral Home sells a used embalming machine for \$2,500. Funeral Home makes no other sales of taxable products or services during the calendar year.

Although Funeral Home's sales of taxable products and services are more than \$1,000, its sale of the used embalming machine is exempt from Wisconsin sales and use tax because (a) the sale occurs on an isolated and sporadic basis (e.g., only one taxable sale in the year), and (b) the facts and circumstances support the inference that Funeral Home is not pursuing a business or part-time business as a vendor of taxable products or services (i.e., Funeral Home makes no other sales of taxable products or services).

Note: If a funeral home has a question as to whether its sales qualify for the occasional sale exemption, it should write to the Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949 or email the department at DORSalesandUse@wisconsin.gov.

Additional information about the occasional sales exemption, including information about how to determine "taxable sales," is provided in [Wisconsin Tax Bulletin #122-30](#) (October 2000).

5. PURCHASES BY FUNERAL HOMES

A. Taxable Purchases

If Wisconsin sales tax is not charged by the supplier of taxable products or services, Wisconsin use tax must be reported and paid by the funeral home to the Department of Revenue.

Taxable purchases by a funeral home include the following (this list is not all-inclusive):

(1) Property Used or Transferred Incidentally With Funeral Services

Purchases by funeral homes of property that it uses or transfers incidentally to customers in providing funeral services are subject to Wisconsin sales or use tax. Examples include (this list is not all-inclusive):

- Biers
- Candles
- Candlesticks
- Catered meals
- Chemicals for embalming
- Church trucks (rolls casket from hearse to church)
- Cosmetics
- Cremation boxes (used solely for cremation of a body)
- Crosses
- Embalming machinery
- Flowers
- Folding chairs
- Jewelry
- Lowering machinery (lowers casket into grave)
- Memorial folders and cards
- Mourner ribbons
- Plastic garments

- Prayer and holy cards
- Register books
- Rosaries
- Sheets, towels, etc.
- Shipping containers (used for transporting a body without a casket by common carrier)
- Shipping trays (used for transporting a body in a casket by common carrier)
- Surgical instruments and tables
- Temporary containers (for returning remains to funeral home)
- Tents and canopies
- Thank you cards
- Yarmulkes

Exception: Purchases of caskets and burial vaults for human remains are not subject to Wisconsin sales or use tax. See Part 5.B.(1) for more information.

(2) Office Equipment and Supplies

Purchases by funeral homes of office equipment and supplies are taxable. Examples include (this list is not all-inclusive):

- Advertising brochures and literature, except:
 - advertising and promotional direct mail,
 - certain catalogs and their mailing envelopes, and
 - certain printed advertising materials transported outside Wisconsin by the printer or the funeral home (See Part 6.B. of [Publication 235](#), *Advertising Companies*, for exemptions for printed materials)
- Cleaning supplies
- Communication equipment such as intercoms and telephones
- Computers and computer supplies
- Copy machines and supplies
- Digital music downloads
- Office furniture
- Paper, pens, and pencils
- Prewritten computer software (e.g. accounting and billing software)
- Televisions

(3) Services

The following are examples of services purchased by funeral homes which are subject to Wisconsin sales or use tax (this list is not all-inclusive):

- Background music services, whether on tangible format (CD) or digital format

- Cable and satellite television
- Inspecting, repairing, and maintaining tangible personal property (e.g., computers, medical equipment, furnaces, televisions, water softeners, water heaters) – See [Publication 207](#), Sales and Use Tax Information for Contractors, for additional information
- Internet access services
- Landscaping services (see [Publication 210](#), Sales and Use Tax Treatment of Landscaping Services, for additional information)
- Parking services
- Telephone services

B. Nontaxable Purchases

Nontaxable purchases by a funeral home include the following (this list is not all-inclusive):

(1) Caskets, Urns, and Burial Vaults

Purchases by funeral homes of caskets, urns, and burial vaults for human remains are exempt from Wisconsin sales or use tax. It does not matter if the casket, urn, or burial vault is sold to the customer separate from the funeral services or whether the casket, urn, or burial vault is provided incidentally with the funeral services. See Part 3.B. for examples of items that qualify for this exemption.

When the funeral home purchases an exempt casket or cremation urn and a corner piece, appliqué, or medallion and physically attaches the corner piece, appliqué, or medallion to the casket or urn in a manner so that it becomes a part of the casket or urn, the tax treatment of the funeral home's purchase of the corner piece, appliqué, or medallion depends on whether the casket or urn is transferred incidentally with the funeral service.

- If the casket or urn is transferred incidentally with funeral services, the funeral home is liable for Wisconsin sales or use tax on its purchase of the corner piece, appliqué, or medallion.
- If the casket or urn is not transferred incidentally to the customer with the sale of funeral services, the funeral home may purchase the corner piece, appliqué, or medallion without tax by providing its supplier with a fully completed exemption certificate (Appendix A), claiming resale.

See Part 3.E. for information on charges for property transferred with funeral services.

(2) Livery Services

Charges to a funeral home for a hearse or coach with a driver for transportation of a body when the driver does more than maintain, inspect, or set up the hearse are not taxable.

Note: Charges to a funeral home for renting or leasing a hearse or coach without a driver for transportation of a body is subject to Wisconsin sales or use tax.

(3) Property That Is Resold

If a funeral home sells property (e.g., candles, crosses,) without providing funeral services, its sales of these items are taxable, unless an exemption applies (e.g., sold to a hospital that is a Wisconsin governmental unit). A funeral home may purchase such items without tax, for resale. In order to purchase these items without

tax, a funeral home must provide its supplier with a fully completed exemption certificate (Appendix A), claiming resale.

Note: If a funeral home's sale of property qualifies for the occasional sale exemption, as explained in Part 4., the funeral home must pay sales or use tax on its purchase of these items.

(4) Property That Is Not Transferred Incidentally With Funeral Services

Sales of property that is not transferred incidentally with funeral services are subject to Wisconsin sales tax. A funeral home may purchase such items without tax, for resale. In order to purchase these items without tax, a funeral home must provide its supplier with a fully completed exemption certificate (Appendix A), claiming resale.

Note: If a funeral home's sale of taxable products qualifies for the occasional sale exemption, as explained in Part 4, the funeral home must pay sales or use tax on its purchase of these products.

See Part 3.E. for more information about separately stated charges for products that are not transferred incidentally with funeral services.

(5) Nonprofit Funeral Home

All purchases made by a funeral home are exempt from tax if the funeral home is organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals. If the nonprofit funeral home is located in Wisconsin, it must obtain exempt status by applying for a Certification of Exempt Status (CES) number on [Form S-103, Application for Wisconsin Sales and Use Tax Certificate of Exempt Status](#), with the Department of Revenue. If approved, a CES number will be issued by the department. The funeral home must provide its CES number to sellers in order to make purchases without tax, and may do so by providing a fully completed exemption certificate (Appendix A).

Note: A non-Wisconsin funeral home that meets the exemption criteria listed above is not required to obtain a Wisconsin CES number. In order to claim exemption on its purchases, a qualifying non-Wisconsin nonprofit organization must provide the seller with a fully completed exemption certificate (Appendix A) indicating that it qualifies for this exemption.

(6) Real Property Improvements

Purchases of real property and improvements to real property are not subject to Wisconsin sales or use tax. Services to real property are also not taxable. Examples include (this list is not all-inclusive):

- Buildings
- Concrete foundations
- Elevators
- Installed doors
- Installed parking lot lighting (Note: The repair or other service to parking lot lighting in a business is taxable – see below)
- Land
- Parking lots
- Partitions and movable walls (affixed to walls, floor or ceiling of building)

Note: If the funeral home purchases materials to make real property improvements, the funeral home's purchase of the materials is taxable. See [Publication 207](#), *Sales and Use Tax Information for Contractors*, for additional information.

Certain property may be a real property improvement when purchased installed, but treated as personal property for purposes of repair or other services. The purchase of services to these items is subject to sales or use tax. Examples of property that is deemed to be personal property for purposes of repair or other service are (this list is not all-inclusive):

- Furnaces, air conditioners, and dehumidifiers
- Awnings
- Lamps and chandeliers
- Venetian blinds
- Burglar and fire alarms fixtures
- Parking lot lighting in a business (e.g., funeral home parking lot)
- Communications equipment, such as speakers and intercom systems

6. KEEPING AWARE OF NEW SALES AND USE TAX DEVELOPMENTS

Funeral homes should be aware of changes in the tax laws, court cases, and other published guidance which may affect how to file returns and compute the tax. Check the [department's website](#) regularly for tax news and information.

The Department of Revenue also has several [electronic mailing lists](#) available to the public. The department will send an email to subscribers on information and news specific to the respective list they have signed up for.

7. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE

If you are unable to find an answer to your question about sales and use taxes on the department's website, you may email, write, or call the department.

Visit our website . . .	revenue.wi.gov
Email . . .	DORSalesandUse@wisconsin.gov
Write . . .	Wisconsin Department of Revenue P.O. Box 8949, Mail Stop 5-77 Madison, WI 53708-8949
Telephone . . .	(608) 266-2776
Fax . . .	(608) 267-1030

You may also contact any of the Department of Revenue offices. Please see the department's website for a [listing of offices](#) and their current hours.

APPENDIX

WISCONSIN SALES AND USE TAX EXEMPTION CERTIFICATE

Check One Single Purchase Continuous

Purchaser's Business Name	Purchaser's Address
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The above purchaser, whose signature appears on the reverse side of this form, claims exemption from Wisconsin state, county, baseball or football stadium, local exposition, and premier resort sales or use tax on the purchase, lease, license, or rental of tangible personal property, property under sec. 77.52(1)(b), items under sec. 77.52(1)(c), goods under sec. 77.52(1)(d), or taxable services, as indicated by the box(es) checked below.

I hereby certify that I am engaged in the business of selling, leasing, licensing, or renting: _____

(Purchaser's description of property, items, goods, or services sold by purchaser.)

Purchaser's description of property or services purchased (itemize property, items, or goods purchased if "single purchase"):

Seller's Name	Seller's Address
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REASON FOR EXEMPTION

Resale (Enter purchaser's seller's permit or use tax certificate number) _____

Manufacturing and Biotechnology

- Tangible personal property (TPP) or item under s.77.52(1)(b) that is used exclusively and directly by a manufacturer in manufacturing an article of TPP or items or property under s.77.52(1)(b) or (c) that is destined for sale and that becomes an ingredient or component part of the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale or is consumed or destroyed or loses its identity in manufacturing the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale.
- Machines and specific processing equipment and repair parts or replacements thereof, exclusively and directly used by a manufacturer in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) and safety attachments for those machines and equipment.
- The repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of machines and specific processing equipment, that the above purchaser would be authorized to purchase without sales or use tax, at the time the service is performed. Tools used to repair exempt machines are not exempt.
- Fuel and electricity consumed in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) in this state. Percent of fuel exempt: _____ % Percent of electricity exempt: _____ %
- Portion of the amount of fuel converted to steam for purposes of resale. Percent of fuel exempt: _____ %
- Property used exclusively and directly in qualified research, by persons engaged in manufacturing at a building assessed under s. 70.995, by persons engaged primarily in biotechnology in Wisconsin, or a combined group member conducting qualified research for another combined group member that meets these requirements.

Farming (To qualify for this exemption, the purchaser must use item(s) exclusively and directly in the business of farming, including dairy farming, agriculture, horticulture, floriculture, silviculture, or custom farming services.)

- Tractors (except lawn and garden tractors), all-terrain vehicles (ATV) and farm machines, including accessories, attachments, and parts, lubricants, nonpowered equipment, and other tangible personal property or items or property under s.77.52(1)(b) or (c) that are used exclusively and directly, or are consumed or lose their identities in the business of farming. This includes services to the property and items above.
- Feed, seeds for planting, plants, fertilizer, soil conditioners, sprays, pesticides, and fungicides.
- Breeding and other livestock, poultry, and farm work stock.
- Containers for fruits, vegetables, grain, hay, and silage (including containers used to transfer merchandise to customers), and plastic bags, sleeves, and sheeting used to store or cover hay and silage. Baling twine and baling wire.
- Animal waste containers or component parts thereof (may only mark certificate as "Single Purchase").
- Animal bedding, medicine for farm livestock, and milk house supplies.



APPENDIX

(DETACH AND PRESENT TO SELLER)

Governmental Units and Other Exempt Entities

Enter CES No., if applicable

- The United States and its unincorporated agencies and instrumentalities.
- Any federally recognized American Indian tribe or band in this state.
- Wisconsin state and local governmental units, including the State of Wisconsin or any agency thereof, Wisconsin counties, cities, villages, or towns, and Wisconsin public schools, school districts, universities, or technical college districts.
- Organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals. CES Number _____ (Required for Wisconsin organizations).

Other

- Containers and other packaging, packing, and shipping materials, used to transfer merchandise to customers of the purchaser.
 - Trailers and accessories, attachments, parts, supplies, materials, and service for motor trucks, tractors, and trailers which are used exclusively in common or contract carriage under LC, IC, or MC No. (if applicable) _____.
 - Machines and specific processing equipment used exclusively and directly in a fertilizer blending, feed milling, or grain drying operation, including repair parts, replacements, and safety attachments.
 - Building materials acquired solely for and used solely in the construction or repair of holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer or for storage of such grain, if such structures are used in a fertilizer blending, feed milling, or grain drying operation.
 - Tangible personal property purchased by a person who is licensed to operate a commercial radio or television station in Wisconsin, if the property is used exclusively and directly in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.
 - Fuel and electricity consumed in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.
Percent of fuel exempt: _____ % Percent of electricity exempt: _____ %
 - Tangible personal property and items, property and goods under s.77.52(1)(b), (c), and (d) to be resold by _____ on my behalf where _____ is registered to collect and remit sales tax to the Department of Revenue on such sales.
 - Tangible personal property, property, items and goods under s.77.52(1)(b), (c), and (d), or services purchased by a Native American with enrollment # _____, who is enrolled with and resides on the _____ Reservation, where buyer will take possession of such property, items, goods, or services.
 - Tangible personal property and items and property under s.77.52(1)(b) and (c) becoming a component of an industrial or municipal waste treatment facility, including replacement parts, chemicals, and supplies used or consumed in operating the facility. Caution: Do not check the "continuous" box at the top of page 1.
 - Portion of the amount of electricity or natural gas used or consumed in an industrial waste treatment facility.
(Percent of electricity or natural gas exempt _____ %)
 - Electricity, natural gas, fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel for residential or farm use.
- | | % of Electricity Exempt | % of Natural Gas Exempt | % of Fuel Exempt |
|--|-------------------------|-------------------------|------------------|
| <input type="checkbox"/> Residential | _____ % | _____ % | _____ % |
| <input type="checkbox"/> Farm | _____ % | _____ % | _____ % |
- Address Delivered: _____
- Percent of printed advertising material solely for out-of-state use. _____ %
 - Catalogs, and the envelopes in which the catalogs are mailed, that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms.
 - Computers and servers used primarily to store copies of the product that are sent to a digital printer, a plate-making machine, or a printing press or are used primarily in prepress or postpress activities, by persons whose NAICS code is 323111, 323117, or 323120.
 - Purchases from out-of-state sellers of tangible personal property that are temporarily stored, remain idle, and not used in this state and that are then delivered and used solely outside this state, by persons whose NAICS code is 323111, 323117, or 323120.
 - Other purchases exempted by law. (State items and exemption). _____

I hereby certify that if the item(s) being purchased are not used in an exempt manner, I will remit use tax on the purchase price at the time of first taxable use. I understand that failure to remit the use tax may result in a future liability that may include tax, interest, and penalty.

Signature of Purchaser	Print or Type Name	Title	Date
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INSTRUCTIONS

This certificate may be used to claim exemption from Wisconsin state, county, baseball and football stadium, local exposition, and premier resort sales or use taxes.

Under the sales and use tax law, all receipts from sales of tangible personal property, property, items and goods under sec. 77.52(1)(b), (c), and (d), or taxable services are subject to the tax until the contrary is established. However, a seller who receives a fully completed exemption certificate no later than 90 days after the date of sale is relieved of any responsibility for collection or payment of the tax upon transactions covered by the certificate. A fully completed certificate is one which is completely filled in and indicates the reason for exemption.

RESALE: A purchaser using the resale exemption is attesting that the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services being purchased will be resold, leased, licensed, or rented. However, in the event any such property, items, or goods is used for any purpose other than retention, demonstration, or display while holding it for sale, lease, license, or rental in the regular course of business, the purchaser is required to report and pay the tax on the purchase of the property, item, or good.

The following purchasers may make purchases for resale even though they do not hold a Wisconsin seller's permit or use tax certificate: (a) A wholesaler who only sells to other sellers for resale may insert "Wholesale only" in the space for the seller's permit number; (b) A person who only sells or repairs exempt property, such as to a manufacturer or farmer, may insert "Exempt sales only"; (c) A nonprofit organization may insert "Exempt sales only" if its subsequent sales of the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services are exempt as occasional sales.

A seller is allowed to accept an exemption certificate from an out-of-state retailer claiming the resale exemption for tangible personal property and items, property, and goods under sec. 77.52(1)(b), (c) and (d), Wis. Stats., drop shipped to a Wisconsin location, regardless of whether or not the out-of-state retailer holds a Wisconsin seller's permit. The out-of-state retailer's permit number, if the other state issues one, and state should be listed on the exemption certificate. If the exemption certificate does not list the Wisconsin seller's permit number or the out-of-state retailer's permit number and state, to be fully complete and valid the exemption certificate must contain a statement indicating the out-of-state retailer is a seller that is not required to hold a permit.

A resale exemption may be granted if the purchaser is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose. If the buyer purchases an item without tax for resale, but uses the item, the buyer owes use tax on its purchase of the item.

MANUFACTURING: "Manufacturing" means the production by machinery of a new article of tangible personal property or items or property under sec. 77.52(1)(b) or (c) with a different form, use, and name from existing materials, by a process popularly regarded as manufacturing, and that begins with the conveying raw materials and supplies from plant inventory to the place where work is performed in the same plant and ends with conveying finished units of tangible personal property or items or property under sec. 77.52(1)(b) or (c) to the point of first storage in the same plant.

FARMING: This certificate may not be used by farmers to claim exemption for the purchase of motor vehicles or trailers for highway use, lawn or garden tractors, snowmobiles, or for items used for the personal convenience of the farmer. When claiming an exemption for an ATV which is also registered for public use, a written description including the percentages of time for personal and farm use, must be submitted with the ATV Registration Application.

The sales price from the sale of electricity, natural gas, and other fuels for use in farming are exempt all 12 months of the year. Farmers claiming this exemption should check the box for electricity and fuel located in the "Other" section.

This certificate cannot be used as an exemption for paying Wisconsin motor vehicle fuel tax.

GOVERNMENTAL UNITS AND OTHER EXEMPT ENTITIES: A seller may accept exemption certificates from federal and Wisconsin governmental units and federally recognized American Indian tribes or bands in Wisconsin. Instead of obtaining an exemption certificate, a seller may (1) accept a purchase order from the governmental unit or tribe or band, or (2) record the governmental unit or tribe or band's Certificate of Exempt Status (CES) number on its invoices. Governmental units of other countries and states are not exempt from Wisconsin sales tax.

The exemption for the United States and its unincorporated agencies and instrumentalities may also be claimed by any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

The exemption for Wisconsin governmental units and other exempt entities may be claimed by: Local Exposition District, Professional Baseball Park District, Professional Football Stadium District, UW Hospitals and Clinics Authority, Wisconsin Aerospace Authority, Health Insurance Risk-Sharing Plan Authority, Wisconsin Economic Development Authority, Fox River Navigational System Authority, public inland lake protection and rehabilitation districts, municipal public housing authorities, uptown business improvement districts, local cultural arts districts, county-city hospitals, sewerage commissions, metropolitan sewerage districts, or joint local water authorities.

Organizations holding a Certificate of Exempt Status (CES) number: Wisconsin organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, may purchase products or services exempt from Wisconsin sales tax if the organization holds a CES number issued by the Wisconsin Department of Revenue. Wisconsin and federal governmental units, and any federally recognized American Indian tribe or band in Wisconsin, will also qualify for a CES.

A similar out-of-state organization, generally organized under sec. 501(c)(3) of the Internal Revenue Code, may purchase products or services exempt from Wisconsin sales tax even though it has not been issued a CES number. This exemption does *not* apply to out-of-state public schools, including public colleges and universities, and governmental units from other states.

APPENDIX

Purchases (for lodging, meals, auto rental, etc.) by employees/representatives of exempt organizations performing organization business, are exempt from sales tax, provided 1) the retailer issues the billing or invoice in the name of the exempt organization, 2) the CES number is entered on the billing or invoice, and 3) the retailer retains a copy of that document.

OTHER:

Containers: This exemption applies regardless of whether or not the containers are returnable. Containers used by the purchaser only for storage or to transfer merchandise owned by the purchaser from one location to another do not qualify for the exemption.

Common or contract carriers: The exemption available to common or contract carriers for certain vehicles and repairs listed on this certificate applies only to those units used "exclusively" in such common or contract carriage. A carrier may qualify for the common or contract carriage exemption even if it does not hold a LC or IC number. The fact that a carrier holds a LC or IC number is not in itself a reason for exemption. A carrier may qualify for the common or contract carrier exemption even if it does not hold an LC or IC number.

Waste treatment facilities: The exemption applies to the sale of tangible personal property and items and property under sec. 77.52(1)(b) and (c) to a contractor for incorporation into real property which is part of an industrial or commercial waste treatment facility that qualifies for property tax exemption or a Wisconsin or federal governmental waste treatment facility.

Electricity, natural gas, fuel oil, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel:

- The sales price from the sale of electricity and natural gas for residential use during the months of November through April are exempt from sales and use tax.
- The sales price from sales of fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel sold for residential use are exempt from sales or use tax. Wood pellets are considered 100% wood even though the pellets may contain a small amount of binding material used to form the pellets.
- The sales price from the sale of fuel and electricity for use in farming are exempt all year.

A retailer of electricity, fuel, or natural gas shall have a signed exemption certificate for exempt sales for residential or farm use unless any of the following apply:

1. 100% of the electricity, fuel, or natural gas is for exempt use.
2. The sale is to an account which is properly classified as residential or farm pursuant to schedules which are filed for rate tariff with the Wisconsin Public Service Commission which are in force at the time of sale.
3. The sale is to an account which is properly classified as residential or farm for classification purposes as directed by the Federal Rural Electrification Administration.

"Farm use" means used in farming, including use in a tractor or other farm machines used directly in farming, in a furnace heating a farm building, in providing lighting in farm buildings, and use in operating motors of machines used directly in farming.

"Residential use" means use in a structure or portion of a structure which is a person's permanent principal residence. It does not include use in motor homes, travel trailers, other

recreational vehicles, or transient accommodations. "Transient accommodations" means rooms or lodging available to the public for a fee for a continuous period of less than one month in a building such as a hotel, motel, inn, tourist home, tourist house or court, summer camp, resort lodge, or cabin.

Other purchases exempted by law include:

1. Printed material which is designed to advertise and promote the sale of merchandise, or to advertise the services of individual business firms, which printed material is purchased and stored for the purpose of subsequently transporting it outside the state by the purchaser for use thereafter solely outside the state.
2. Parts, supplies, or repairs for a school bus used exclusively as a contract carrier pursuant to a contract with a school or other organization.
3. Waste reduction and recycling machinery and equipment, including parts and repairs, which are exclusively and directly used for waste reduction and recycling activities.
4. Railway cars, locomotives, and other rolling stock used in railroad operations, or accessories, attachments, parts, lubricants, or fuel therefor.
5. Commercial vessels and barges of 50-ton burden or over engaged in interstate or foreign commerce or commercial fishing, and accessories, attachments, parts, and fuel therefor.
6. Fuel sold for use in motorboats that are regularly employed in carrying persons for hire for sport fishing in and upon the outlying waters, as defined in sec. 29.001(63), Wis. Stats., and the rivers and tributaries specified in sec. 29.2285(2)(a)1. and 2., Wis. Stats., if the owner and all operators are licensed under sec. 29.514, Wis. Stats., to operate the boat for that purpose.
7. A product whose power source is the wind, direct radiant energy received from the sun, or gas generated by the anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or at least 600 British thermal units per day, but not including a product that is an uninterruptible power source that is designed primarily for computers.
8. Effective July 1, 2013, snowmaking and snow-grooming machines and equipment, including accessories, attachments, and parts for the machines and fuel and electricity used to operate such machines and equipment, that are used exclusively and directly for snowmaking at ski hills, ski slopes, and ski trails.
9. Effective July 1, 2013, advertising and promotional direct mail and printing services used to produce advertising and promotional direct mail.

SIGNATURE: For corporations, this form must be signed by an employee or officer of the corporation.

QUESTIONS: If you have questions, please contact us.

WISCONSIN DEPARTMENT OF REVENUE
Customer Service Bureau
PO Box 8949
Madison WI 53708-8949

Phone: (608) 266-2776

Fax: (608) 267-1030

Website: revenue.wi.gov