

The logo of the Wisconsin Department of Revenue is located in the top right corner. It features a circular seal with the text "WISCONSIN DEPARTMENT OF REVENUE" around the perimeter. Inside the seal, there are several figures and symbols, including a person holding a scale and a person holding a sword, representing justice and law.

# **Sales and Use Tax Training for Grocers Part 1**

**Wisconsin Department of Revenue  
April 2017**

# Topics of Discussion

- Resources
- Sales by Grocers

# Additional Training for Grocers

- Part 2 - Sales of Candy, Soft Drinks, and Dietary Supplements
- Part 3 - Sales of Prepared Foods
- Part 4 - Preparing for an Audit

# Resources

- Website – [www.revenue.wi.gov](http://www.revenue.wi.gov)
- [Publication 220](#), *Grocers*
  - *Appendix I – Prepared Food Flowchart*
- [Publication 223](#), *Bakeries*
- [Publication 236](#), *Restaurants and Bars*
- Email Alerts:  
<http://www.revenue.wi.gov/html/lists.html>

# Resources

- [Section Tax 11.51](#), "Grocers' Guidelist"
- [Section Tax 11.08](#), "Durable Medical Equipment, Mobility-Enhancing Equipment, and Prosthetic Devices"
- [Section Tax 11.09](#), "Drugs"
- [Section Tax 11.87](#), "Prepared Food, Food and Food Ingredients, and Soft Drinks"



# Sales by Grocers

# Wisconsin Sales and Use Tax

- Sales, licenses, leases, and rentals of tangible personal property, certain coins and stamps, certain property affixed to real property, certain digital goods, and certain services are subject to Wisconsin sales tax, unless an exemption applies.



# Wisconsin Sales and Use Tax

- Most items in a grocery store or convenience store are tangible personal property
- However, an exemption applies to many of the food items



# Non-food Items

Examples of non-food items subject to sales tax

- School supplies
- Toys
- Paper and plastic products
- Household and cleaning supplies
- Over-the-counter medication
- Automotive products

# Non-food Items

Examples of non-food items subject to sales tax

- Flowers, plants, and floral arrangements
- Photographs
- Photocopies
- Video rentals
- Carpet cleaning machine rentals
- Cigarettes and tobacco products

# Exemption for Food and Food Ingredients

- The sales price from the sale of and the storage, use, or other consumption of food and food ingredients, except:
  - Candy (see Part 2)
  - Soft drinks (see Part 2)
  - Dietary supplements (see Part 2)
  - Prepared food (see Part 3)

# Food and Food Ingredient

A substance in liquid, concentrated, solid, frozen, dried, or dehydrated form, that is sold for ingestion, or for chewing, by humans and that is ingested or chewed for its taste or nutritional value...does not include alcoholic beverages or tobacco.

# Food and Food Ingredient

- Food and food ingredients include beverages, but not alcoholic beverages (0.5% or more alcohol by volume).
- Alcoholic beverages are taxable.



# Examples of Exempt Food and Food Ingredients

- Crackers
- Apples
- Cheese
- Unsweetened bottled water
- Noodles
- Bread
- Milk

# Examples of Items that are Not Food and Food Ingredients

- Cough drops
- Gum
- Aspirin
- Pet food

Note: Sales of these items are taxable.



# Miscellaneous Exemptions

- Fuel for motor vehicles subject to excise tax under Chapter 78, Wis. Stats.
- Prescription drugs
- Newspapers
- United States and Wisconsin flags

# Exemption For Durable Medical Equipment

- Must be for use in a person's home
- Includes repair parts, replacement parts, and accessories for equipment that is:
  - Primarily and customarily used for a medical purpose related to a person;
  - Can withstand repeated use;
  - Not generally useful to a person who is not ill or injured; and
  - Not placed in or worn on the body
- Examples include vaporizers, heating pads, blood glucose monitoring machines, thermometers

# "Use in a Person's Home"

Means that the equipment is sold to an individual for use where they are living, regardless of whether the individual resides in a single family home, apartment building, nursing home, assisted living center, convalescent home, or school dormitory.

# "Use in a Person's Home

- Durable medical equipment is not for use in a person's home if purchased by hospital, clinic, nursing home, assisted living center, convalescent home, dental office, chiropractor, or optician's office.
- This is the case even if the equipment is purchased for use by the residents of the nursing home, assisted living center, or convalescent home.

# Exemption For Mobility-Enhancing Equipment

- Includes repair parts, replacement parts, and accessories for equipment that is:
  - Primarily and customarily used to provide or increase the ability of a person to move from one place to another;
  - May be used in a home or motor vehicle; and
  - Generally not used by a person who has normal mobility
- Examples include canes, crutches, walkers, wheelchairs

# Exemption For Prosthetic Devices

- Placed in or worn on the body to:
  - artificially replace a missing portion of the body;
  - prevent or correct a physical deformity or malfunction; or
  - support a weak or deformed portion of the body
- Examples include arm slings, burn garments, arch supports, braces (wrist, ankle, knee, etc.), hearing aids and batteries, insulin pumps, pressure garments, splints



# Additional Training for Grocers

- Part 2 - Sales of Candy, Soft Drinks, and Dietary Supplements
- Part 3 - Sales of Prepared Foods
- Part 4 - Preparing for an Audit



# Contact DOR if you have questions

WISCONSIN DEPARTMENT OF REVENUE  
Customer Service Bureau  
PO Box 8949, MS 5-77  
Madison, WI 53708-8949

Phone: (608) 266-2776

Email: [DORSalesandUse@wisconsin.gov](mailto:DORSalesandUse@wisconsin.gov)