

SALES AND USE TAX REPORT

5-95

December 1995

This Sales and Use Tax Report replaces the November Sales and Use Tax Report (4-95). Information on page 6 in the November 1995 Sales and Use Tax Report regarding brackets for collecting the tax was incorrect.

PROFESSIONAL BASEBALL PARK DISTRICT IMPOSES "STADIUM TAX" EFFECTIVE JANUARY 1, 1996

A. HOW DOES THE STADIUM TAX AFFECT YOU?

1. General

Beginning January 1, 1996, there is a 0.1% stadium tax on the sale of and the storage, use, or consumption of tangible personal property and taxable services in the following 5 Wisconsin counties:

- Milwaukee
- Ozaukee
- Racine
- Washington
- Waukesha

The stadium tax was created for the purpose of assisting in the development of a professional baseball park in Wisconsin.

Retailers who make sales subject to the stadium tax in Milwaukee and Ozaukee counties will collect 5.6% sales tax on such retail sales — 5% state sales tax, 0.5% county sales tax, and 0.1% stadium sales tax.

Retailers who make sales subject to the stadium tax in Racine, Washington, and Waukesha counties will collect 5.1% sales tax on such retail sales — 5% state sales tax and 0.1% stadium sales tax.

IMPORTANT: Retailers who are not located in Milwaukee, Ozaukee, Racine, Washington, or Waukesha counties may still be subject to the stadium tax if they deliver property into any of these 5 counties or are in some other way "engaged in business" in any of these 5 counties, as described in Part C.1.

Note: Keep this report as part of your records as a reference guide for the stadium tax.

If you have questions about the stadium sales or use tax, write to Wisconsin Department of Revenue, P.O. Box 8902, Madison, WI 53708-8902 or call or visit:

Madison	4638 University Ave.	(608)266-2776
Grafton*	1930 Wisconsin Ave.	(414)377-6700
Milwaukee	819 N. Sixth St.	(414)227-4444
Racine	616 Lake Ave.	(414)638-7500
Waukesha	141 NW Barstow	(414)521-5310
West Bend*	120 N. Main St.	(414)335-5380

*Taxpayer assistance is available on Monday mornings only

2. Registration

Persons subject to the stadium tax who are already registered for state sales and use tax purposes do not have to register further with the Department of Revenue for the stadium tax. No special seller's permit is required.

3. Filing Returns

Monthly filers

- Months of January 1996 through June 1996

The stadium tax is reported monthly on a separate return. This separate return will be due the last day of the month following the close of the monthly reporting period.

- Month of July 1996 and thereafter

The stadium tax is reported with state and county sales and use taxes on a revised Form ST-12.

Monthly filers whose state and county sales and use tax returns (Form ST-12) are sent to an address in any of the following counties will automatically be sent the separate stadium tax returns

for January through March 1996 in January 1996 and returns for April through June 1996 in April 1996:

- Dodge
- Fond du Lac
- Jefferson
- Kenosha
- Milwaukee
- Ozaukee
- Racine
- Sheboygan
- Walworth
- Washington
- Waukesha

In addition, monthly filers whose state and county sales and use tax returns are not sent to any of the above counties but who are subject to the Milwaukee County or Ozaukee County tax, will automatically be sent the separate stadium tax returns for January through March 1996 in January 1996 and returns for April through June 1996 in April 1996.

Important: Monthly filers subject to the stadium tax who do not receive the separate stadium tax

return should contact the department's Registration Unit at (608) 266-2776. Even though a return was not sent, such persons are still liable for the stadium tax.

Quarterly and Annual Filers

- No separate return will be filed to report the stadium tax.
- Stadium taxes will be reported with state and county sales and use taxes on a revised Form ST-12, beginning with quarters or years ending July 31, 1996. As illustrated in Table 1 below, on the first revised Form ST-12 filed, quarterly and annual filers will report the stadium tax from January 1, 1996, to the end of the reporting period for that first revised Form ST-12.

Table 1 — Stadium Tax Reporting for Quarterly and Annual Filers		
Current State and County Sales and Use Tax Filing Status	Stadium Tax Is First Included on the Revised Form ST-12 for the Following Period	On the First Revised Form ST-12 Filed, Stadium Tax Is Reported for the Following Period
Quarters ending 1/31/96, 4/30/96, and 7/31/96	Quarter ending 7/31/96	1/1/96 through 7/31/96
Quarters ending 2/29/96, 5/31/96, and 8/31/96	Quarter ending 8/31/96	1/1/96 through 8/31/96
Quarters ending 3/31/96, 6/30/96, and 9/30/96	Quarter ending 9/30/96	1/1/96 through 9/30/96
For quarters ending 10/31/96 and thereafter, the stadium tax reported on Form ST-12 is only for purchases and sales in that quarter.		
Year ending 1/31/96	Year ending 1/31/97	1/1/96 through 1/31/97
Year ending 2/29/96	Year ending 2/28/97	1/1/96 through 2/28/97
Year ending 3/31/96	Year ending 3/31/97	1/1/96 through 3/31/97
Year ending 4/30/96	Year ending 4/30/97	1/1/96 through 4/30/97
Year ending 5/31/96	Year ending 5/31/97	1/1/96 through 5/31/97
Year ending 6/30/96	Year ending 6/30/97	1/1/96 through 6/30/97
For years ending 7/31/96 and thereafter, the stadium tax reported on Form ST-12 is only for purchases and sales occurring on or after January 1, 1996 through the end of that year.		

Example 1: Company A currently files its Wisconsin sales and use tax return on an annual basis. Company A's fiscal year ends March 31. Company A will begin reporting stadium taxes on its sales and use tax return for the year ending March 31, 1997. Sales and purchases subject to the stadium sales or use tax from January 1, 1996 through March 31, 1997, will be reported on the sales and use tax return for the year ending March 31, 1997.

Example 2: Company B files its Wisconsin sales and use tax returns on a calendar quarter basis. Company B will begin reporting stadium taxes on its sales and use tax return for the quarter ending September 30, 1996. Sales and purchases subject to the stadium sales or use tax from January 1, 1996 through September 30, 1996, will be reported on the sales and use tax return for the quarter ending September 30, 1996.

A copy of the revised Form ST-12 is enclosed with the information sent with this *Tax Report*.

B. WHAT TYPES OF TANGIBLE PERSONAL PROPERTY AND SERVICES ARE TAXABLE?

The types of tangible personal property and services that are subject to the state 5% sales or use tax are also subject to the 0.1% stadium sales or use tax.

If property or services are exempt from the 5% state tax, they are also exempt from the 0.1% stadium tax.

C. WHAT SALES ARE SUBJECT TO THE STADIUM SALES TAX?

Note: "Taxable county" in this *Sales and Use Tax Report* means Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties. "Nontaxable county" means a county other than these 5 counties.

The 0.1% stadium sales tax is imposed on the taxable gross receipts from retail sales or rentals of tangible personal property and taxable services in Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties (taxable counties) with the following exception. Sales of motor vehicles, boats, snowmobiles, mobile homes 45 feet or less in length, trailers, semi-trailers, all-terrain vehicles, and aircraft required to be registered or titled, which are customarily kept in a taxable county, are subject to the stadium use tax (rather than the stadium sales tax) as described in Part D.3. (**Note:** Sales of new mobile homes more than 45 feet in length in a taxable county are subject to the stadium sales tax.)

Example: Company A, located in Milwaukee County, sells a computer to Company B in Milwaukee County. The sale of the computer is subject to: 1) the state 5% sales tax, 2) the Milwaukee County 0.5% sales tax, and 3) the 0.1% stadium sales tax, or a total of 5.6%.

For a retail sale or rental to be subject to the stadium sales tax, **both** of the following conditions must exist:

- The retailer who makes the retail sale or rental must be "engaged in business" in a taxable county, and
- The sale or rental must have a "situs" in a taxable county.

1. When is a retailer "engaged in business" in a taxable county?

A retailer is "engaged in business" in a taxable county, for purposes of the stadium tax, if one or more of the following conditions exists in the taxable county:

- The retailer has a store in the taxable county.
- The retailer owns business real property in the taxable county.
- The retailer leases or rents out tangible personal property located in the taxable county.
- The retailer maintains, occupies, or uses, permanently or temporarily, directly or indirectly, or through a subsidiary, agent, or other person, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business in the taxable county.
- The retailer has a representative, agent, salesperson, canvasser, or solicitor operating in the taxable county under the authority of the retailer or its subsidiary for the purpose of selling, delivering, or taking orders for any tangible personal property or taxable services in the county.
- The retailer services, repairs, or installs products in the taxable county.
- The retailer delivers goods into the taxable county in company-operated vehicles.
- The retailer performs construction activities in the taxable county.

Note: The above list is not all-inclusive

2. Where is the "situs" of a sale or rental?

Situs of Sales of Property

All retail sales of tangible personal property are completed at the time when and the place ("*situs*") where, the seller or the seller's agent transfers possession to the buyer or the buyer's agent. A common carrier or the U.S. Postal Service is the agent of the seller, regardless of any f.o.b. point and regardless of the method by which freight or postage is paid.

Example: A person buys a radio for \$200 from a seller in a taxable county. The buyer takes possession of the radio at the seller's business location in the taxable county and travels in his car to his home in a nontaxable county. Since the sale had a "*situs*" in a taxable county (the place where possession transferred to the buyer), it is subject to the 0.1% stadium sales tax of 20¢.

Example: A person buys a piano for \$1,500 at a store in a nontaxable county; however, it is delivered to the buyer in a taxable county by the seller's company-operated vehicle. The seller is "engaged in business" in the taxable county when delivering the piano into the taxable county. The sale of the piano is subject to the stadium sales tax of \$1.50.

Situs of Rentals of Tangible Personal Property

Rentals of Tangible Personal Property Other Than Moving Property: The "situs" of the rental is at the location of the property. For example, the rental of a computer has a situs at the location where the computer is kept by the lessee.

Rentals of Moving Property Used on Highways: Rented motor vehicles and other equipment used principally on the highway at normal highway speeds have a "situs" in the county in which they are customarily kept, with one exception. Drive-it-yourself motor vehicles and equipment used principally on the highway at normal highway speeds and used for one-way trips or leased for less than one month, have a "situs" in the county in which they come into the lessee's possession.

Rentals of Other Moving Property: Except for moving property used on highways as described above, rentals of property that characteristically is moving property, including aircraft and boats, have a "situs" in a county if the rental property is used primarily in that county or is usually kept in that county when it is not used.

Situs of Services

Services have a "situs" at the location where they are furnished to the customer, with the following exceptions:

- Communication services have a "situs" where the customer is billed for the service if the customer calls collect or pays by credit card. The "situs" of mobile communication service involving more than one county is the county in which the call originates, provided it is not a collect or credit card call.
- Towing services have a "situs" at the location to which the vehicle is delivered.
- Services performed on tangible personal property have a "situs" at the location where the serviced property is delivered to the buyer.

Example: An electrician repairs wiring on taxable equipment located in a taxable county. This repair service was furnished in the taxable county and is, therefore, subject to the 0.1% stadium sales tax, regardless of the electrician's business location.

Example: A TV repairman picks up a customer's TV at her home in a nontaxable county, brings it to his shop in a taxable county to repair the TV, and then delivers the TV back to the customer's home in the nontaxable county. The repair service has a "situs" in the nontaxable county because the TV was delivered to the customer in the nontaxable county. No stadium tax would be imposed. However, if the customer picks up the repaired TV at the repair shop, the tax would be imposed since delivery to the customer took place in a taxable county.

D. WHEN DOES STADIUM USE TAX APPLY?

1. General

A stadium use tax of 0.1% of the sales price is imposed upon every person storing, using, or consuming tangible personal property or services in a taxable county with the following three exceptions:

- No stadium use tax will be imposed if: (a) a receipt indicates a stadium sales tax has been paid, or (b) a stadium use tax has been paid as described in the "Contractors" and "Motor Vehicles, Boats, Etc." Parts 2 and 3 below.
- No stadium use tax will be imposed if the buyer purchased property in a sale consummated in a Wisconsin county, other than Milwaukee, Ozaukee, Racine, Washington, and Waukesha, and the property is later brought by the buyer into a taxable county (see exceptions in Parts 2 and 3).
- If the buyer has paid a similar local tax in another state on the purchase of the same property or services, that tax may be credited against the stadium use tax.

Example: A company located in Milwaukee County purchases an office machine for \$10,000 from an Ohio seller who has not charged the 5% state sales tax, 0.5% county sales tax, or the 0.1% stadium tax on the transaction. The machine is used in a taxable county. The buyer is liable for 5% state use tax of \$500, 0.5% county use tax of \$50, and 0.1% stadium use tax of \$10.

Example: A company located in Racine County purchases office supplies from a seller in a nontaxable county. The seller delivers the office supplies by common carrier to the taxable county. The seller charges the 5% state sales tax but not the 0.1% stadium tax because it is not engaged in business in the taxable county (delivering by common carrier into a county does not by itself mean a seller is engaged in business in the county). The buyer is subject to the 0.1% stadium use tax on the sales price of the office supplies.

2. Contractors

A stadium use tax is imposed upon a contractor engaged in construction activities in a taxable county, on the contractor's purchase price of tangible personal property that is used in constructing, altering, repairing, or improving real property and that becomes a component part of real property in a taxable county. However, there will be no stadium use tax if the contractor has paid the 0.1% Wisconsin stadium sales tax, or similar local sales tax of 0.1% or more in another state, on the purchase of the property.

3. Motor Vehicles, Boats, Etc.

A stadium use tax is imposed upon every motor vehicle, boat, snowmobile, mobile home 45 feet or less in length, trailer, semi-trailer, all-terrain vehicle, or aircraft if that property:

- a. Must be registered or titled with the State of Wisconsin, and
- b. Is to be customarily kept in a taxable county.

Purchases of motor vehicles, etc., from non-dealers: The buyer of the motor vehicle, boat, etc., required to be registered or titled in Wisconsin and which is to be kept in a taxable county, must remit the 5% state use tax, 0.5% county use tax, if applicable, and 0.1% stadium use tax to the state agency at the time of registering or titling it with the state agency.

Purchases from dealers: The dealer (seller) of motor vehicles, boats, etc., required to be registered or titled in Wisconsin and which are to be kept in a taxable county, must collect the 5% state sales tax, 0.5% county use tax, if applicable, and 0.1% stadium use tax from the buyer. The stadium use tax will be reported on forms the dealer files with the Department of Revenue.

Rentals of motor vehicles, etc.: Retailers, regardless of whether or not they are dealers of motor

vehicles, boats, etc., must report the stadium sales or use tax from the rentals of such property.

E. TRANSITIONAL PROVISIONS

1. Services

Services subject to the 5% state sales tax are not subject to the stadium tax if the services are billed to the customer and paid for before January 1, 1996, regardless of whether the service is furnished to the customer before or after January 1, 1996.

Services furnished before January 1, 1996 are not subject to the stadium tax even though the services are billed or the customer pays on or after January 1, 1996.

2. Rentals

A lessor's rental receipts from tangible personal property that the lessor is obligated to furnish at a fixed price under a contract entered into before January 1, 1996, are not subject to the stadium sales tax until the contract is terminated, extended, renewed, or modified.

Note: The lessee is subject to the stadium use tax on these lease or rental payments beginning on or after January 1, 1996, except when the lessor voluntarily reports the tax on such receipts for the convenience of the customer or when the lessor collects the tax because the contract is modified.

3. Contractors

Sales of building materials to contractors engaged in the business of constructing, altering, repairing, or improving real estate for others are not subject to the stadium tax if **both** of the following conditions are met:

- a. The materials are affixed and are made a structural part of real estate, and
- b. The amount payable to the contractor, relating to those materials, is fixed without regard to the costs incurred in performing a written contract that was irrevocably entered into prior to January 1, 1996, or that resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before January 1, 1996.

F. COLLECTING STADIUM TAX FROM CUSTOMERS — BRACKET SYSTEM

A retailer who wishes to separately state the 5% state tax, 0.5% county tax, if applicable, and 0.1% stadium tax and pass these taxes on to customers must use the "bracket system." The bracket system is a method of collecting taxes designed so that the total amount of state, county, and stadium taxes collected from customers equals approximately 5.6% for Milwaukee and Ozaukee counties, and 5.1% for Racine, Washington, and Waukesha counties, of taxable gross receipts, if the retailer's sales fall equally throughout all the brackets. However, the state, county, and stadium sales tax payable by a retailer to the Department of Revenue is 5.6% for Milwaukee and Ozaukee counties, and 5.1% for Racine, Washington, and Waukesha counties, of the taxable gross receipts, regardless of the amount of taxes collected from customers.

The bracket systems used in computing the combined 5.6% state, county, and stadium taxes and the combined 5.1% state and stadium taxes, which may be collected from customers appear on page 7 of this report.

Caution: The 5.6% bracket does not reflect the local exposition room, food and beverage, and rental car tax rates in Milwaukee County. Those taxes are computed separately using a mathematical computation of the selling price times the tax rate.

G. RECORDKEEPING

Persons subject to the stadium sales or use tax are required to keep records showing the amount of their taxable receipts and purchases subject to the stadium sales or use tax for each of the 5 counties (Milwaukee, Ozaukee, Racine, Washington, and Waukesha).

The requirements for exemption certificates or other documentation for exemptions that apply to the 5% state sales or use tax also apply to the stadium tax.

An exemption certificate received by a seller as proof that a sale was exempt from the 5% state sales or use tax may be used as proof of exemption from the stadium sales or use tax. You do not need a separate exemption certificate for the stadium tax.

5.6% State, County and Stadium Tax
(For Milwaukee and Ozaukee counties only)

Amount of Taxable Sale	State, County, and Stadium Tax Collectible
\$.01 to \$.08	0c
.09 to .26	1c
.27 to .44	2c
.45 to .62	3c
.63 to .80	4c
.81 to .98	5c
.99 to 1.16	6c
1.17 to 1.33	7c
1.34 to 1.51	8c
1.52 to 1.69	9c
1.70 to 1.87	10c
1.88 to 2.05	11c
2.06 to 2.23	12c
2.24 to 2.41	13c
2.42 to 2.58	14c
2.59 to 2.76	15c
2.77 to 2.94	16c
2.95 to 3.12	17c
3.13 to 3.30	18c
3.31 to 3.48	19c
3.49 to 3.66	20c
3.67 to 3.83	21c
3.84 to 4.01	22c
4.02 to 4.19	23c
4.20 to 4.37	24c
4.38 to 4.55	25c
4.56 to 4.73	26c
4.74 to 4.91	27c
4.92 to 5.08	28c
5.09 to 5.26	29c
5.27 to 5.44	30c
5.45 to 5.62	31c
5.63 to 5.80	32c
5.81 to 5.98	33c
5.99 to 6.16	34c
6.17 to 6.33	35c
6.34 to 6.51	36c
6.52 to 6.69	37c
6.70 to 6.87	38c
6.88 to 7.05	39c
7.06 to 7.23	40c
7.24 to 7.41	41c
7.42 to 7.58	42c
7.59 to 7.76	43c
7.77 to 7.94	44c
7.95 to 8.12	45c
8.13 to 8.30	46c
8.31 to 8.48	47c
8.49 to 8.66	48c
8.67 to 8.83	49c
8.84 to 9.01	50c
9.02 to 9.19	51c
9.20 to 9.37	52c
9.38 to 9.55	53c
9.56 to 9.73	54c
9.74 to 9.91	55c
9.92 to 10.08	56c

The state, county, and stadium tax equals 56c for each \$10 of sales, plus the tax shown above for the fractional part of \$10.

Example: Company A, a restaurant located in Milwaukee County, sells meals to Individual A for \$15.50. The 5.6% state, county, and stadium tax is 87c (56c for the \$10 sale plus 31c for the \$5.50 sale.) The sale is also subject to the 0.25% local exposition food and beverage tax of 4c ($\$15.50 \times 0.25\%$).

5.1% State and Stadium Tax
(For Racine, Washington, and Waukesha counties)

Amount of Taxable Sale	State and Stadium Tax Collectible
\$.01 to \$.09	0c
.10 to .29	1c
.30 to .49	2c
.50 to .68	3c
.69 to .88	4c
.89 to 1.07	5c
1.08 to 1.27	6c
1.28 to 1.47	7c
1.48 to 1.66	8c
1.67 to 1.86	9c
1.87 to 2.05	10c
2.06 to 2.25	11c
2.26 to 2.45	12c
2.46 to 2.64	13c
2.65 to 2.84	14c
2.85 to 3.03	15c
3.04 to 3.23	16c
3.24 to 3.43	17c
3.44 to 3.62	18c
3.63 to 3.82	19c
3.83 to 4.01	20c
4.02 to 4.21	21c
4.22 to 4.41	22c
4.42 to 4.60	23c
4.61 to 4.80	24c
4.81 to 4.99	25c
5.00 to 5.19	26c
5.20 to 5.39	27c
5.40 to 5.58	28c
5.59 to 5.78	29c
5.79 to 5.98	30c
5.99 to 6.17	31c
6.18 to 6.37	32c
6.38 to 6.56	33c
6.57 to 6.76	34c
6.77 to 6.96	35c
6.97 to 7.15	36c
7.16 to 7.35	37c
7.36 to 7.54	38c
7.55 to 7.74	39c
7.75 to 7.94	40c
7.95 to 8.13	41c
8.14 to 8.33	42c
8.34 to 8.52	43c
8.53 to 8.72	44c
8.73 to 8.92	45c
8.93 to 9.11	46c
9.12 to 9.31	47c
9.32 to 9.50	48c
9.51 to 9.70	49c
9.71 to 9.90	50c
9.91 to 10.09	51c

The state and stadium tax equals 51c for each \$10 of sales, plus the tax shown above for the fractional part of \$10.

Example: Company A, a restaurant located in Racine County, sells meals to Individual A for \$15.50. The 5.1% state and stadium tax is 79c (51c for the \$10 sale plus 28c for the \$5.50 sale).