



## Milwaukee Sales and Use Taxes Fact Sheet 2414

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This fact sheet provides information about sales and use taxes that are imposed in the county and city of Milwaukee and administered by the Wisconsin Department of Revenue.

Sales of [taxable products and services](#) that [take place](#) in Wisconsin are subject to 5% Wisconsin sales or use tax, including county and city sales or use tax, if applicable, unless an exemption applies.

### What Is New?

- Effective January 1, 2024, Milwaukee County sales and use tax rate increases from 0.5% to 0.9%.
- Effective January 1, 2024, city of Milwaukee imposes a new 2% sales and use tax.

[2023 Wis. Act 12](#) authorized the city of Milwaukee and Milwaukee County to enact ordinances to impose the new city sales and use tax and increase the Milwaukee County sales and use tax rate.

### Who Must Pay County and City Sales and Use Tax?

#### *Sellers:*

- All sellers registered to collect Wisconsin sales and use tax must also collect the county tax if making taxable sales to locations in Milwaukee County and the city tax if making taxable sales to locations in the city of Milwaukee, regardless of where the seller is located.
- Sellers report county and city sales and use taxes on the Wisconsin sales and use tax return. Most sellers are required to file and pay using [My Tax Account](#), the department's online filing and payment system at [revenue.wi.gov](https://revenue.wi.gov).

#### *Purchasers:*

- All purchasers that store, use, or consume taxable products and services in Milwaukee County or the city of Milwaukee must pay the 5% state, county, and city use tax, as applicable, if the seller does not collect the taxes.
- Purchasers may report and pay use tax to the department on their sales and use tax return if the seller does not charge sales tax. If a purchaser is not registered to file sales and use tax returns, they may report the use tax on their individual Wisconsin income tax return or [Form UT-5, Consumer's Use Tax Return](#).

### Wisconsin State and Local Sales Tax Rate Look-Up

- [Sales Tax Rate Chart](#) lists Wisconsin state, county, and city sales and use tax rates.
- [Wisconsin State and Local Sales Tax Rate Look-Up](#) allows users to look up rates by address.

## Special Rules for County and City Tax

If an item is purchased in a county that has not adopted the county tax or a city that has not adopted the city tax, and the item is later brought to a taxable county or the city of Milwaukee where it is used, stored or consumed, the item is not subject to the county use tax or the city of Milwaukee use tax.

**Exceptions:** Construction materials, titled items, and certain purchases by nonresidents.

- *Construction materials* purchased in a county that has not adopted the county tax that are later used to improve real property in a county that has adopted the county tax are subject to county use tax unless an exemption applies.
- *Construction materials* purchased in a city that has not adopted the city tax that are later used to improve real property in a city that has adopted the city tax are subject to the city use tax unless an exemption applies.
- *Purchases of motor vehicle, boats, recreational vehicles, as defined in sec. [340.01\(48r\)](#), Wis. Stats., and aircraft* are taxed, for county and city sales and use tax purposes, based on the county and city in which the item is customarily kept.
- *Purchases of snowmobiles, trailers, semitrailers, off-highway motorcycles, all-terrain vehicles, and utility terrain vehicles* are taxed, for county and city sales and use tax purposes, based on where the buyer receives possession of the items.

If the buyer takes possession in a county and/or city that does not impose tax, the buyer owes use tax if the buyer later stores, uses or otherwise consumes the snowmobile, trailer, semitrailer, limited use off-highway motorcycle, as defined in sec. [23.335\(1\)\(o\)](#), Wis. Stats., all-terrain vehicle, or utility terrain vehicle in a county and/or city that adopted county and/or city tax.

- *Purchases of motor vehicles, aircraft and truck bodies (including semitrailers) by nonresidents* who do not use the property other than to remove it from Wisconsin are exempt from Wisconsin sales and use tax.

**Note:** One payment leases of motor vehicles, boats, recreational vehicles, aircraft, snowmobiles, trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, and off-highway motorcycles, for county and city tax purposes occur where the buyer takes possession.

## Transitional Provisions

**Taxable products.** Sales of taxable products before January 1, 2024, are not subject to the increased county tax rate or city tax. A sale of tangible personal property takes place when the seller or the seller's agent transfers possession of the product to the buyer or the buyer's agent, regardless of when the product was paid for or ordered.

**Taxable services and lease, rental, or license of taxable products.** The sales price from the lease, rental, or license of taxable products and services is subject to the increased county rate and city tax, if applicable, beginning with the first billing period starting on or after January 1, 2024, regardless of whether the service is furnished or the product is leased, rented, or licensed to the customer before or after that date.

**Building materials.** 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 new county tax rate or city tax if (1) the materials are affixed and made a structural part of real estate, and (2) the amount payable to the contractor is fixed without regard to the costs incurred in performing a written contract that was irrevocably entered into prior to the effective date of the increased county tax and new city tax, 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, 2024.

## Distributions

County tax is distributed to each county imposing a county tax. City tax will be distributed to the city of Milwaukee. Each month the department distributes 98.25% of Milwaukee County taxes reported. Similarly, the department will distribute 98.25% of city of Milwaukee taxes reported for sales and purchases starting with sales and purchases made on January 1, 2024. The department retains 1.75% of the taxes to cover costs of administration, enforcement, and collection.

Distribution amounts are published on the department's [Reports](#) web page. Distributions are based on transactions processed for a specific period. For example, the January distribution to Milwaukee County includes amounts from sales tax returns and other transactions processed from December 16 through January 15. The January distribution will include sales and use tax reported on November sales and use tax returns filed on the December 31 due date.

## Other Taxes & Fees Administered by the Department of Revenue

[Local exposition taxes](#) are imposed on persons selling lodging, food or beverages, or renting automobiles in municipalities wholly or partially within Milwaukee County (local exposition district).

- 3% basic room tax
- 7% additional room tax – city of Milwaukee only
- 0.5% food and beverage tax
- 3% rental car tax

[Rental vehicle fee](#) is a 5% fee imposed on the sales price from the lease or rental of certain vehicles and a 5% fee imposed on the sales price from providing limousine service.

[Dry cleaning fees](#) are imposed on operators of dry cleaning facilities and sellers of dry cleaning products.

- Dry cleaning facility license fee – equal to 2.8% of the gross receipts from the previous three months from dry cleaning apparel and household fabrics
- Dry cleaning products fee – \$5 per gallon of perchloroethylene sold and \$0.75 per gallon of any dry cleaning product sold, other than perchloroethylene

## Resources

- [Publication 201](#), *Wisconsin Sales and Use Tax Information*
- [Publication 202](#), *Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs*
- [Publication 410](#), *Local Exposition Taxes*
- [Wisconsin Tax Bulletin 223](#) (October 2023)

## Questions?

- Visit the department's website at [revenue.wi.gov](http://revenue.wi.gov)
- Email your questions or comments to [DORSalesandUse@wisconsin.gov](mailto:DORSalesandUse@wisconsin.gov)
- Call our Customer Service Bureau at (608) 266-2776

### **Applicable Laws and Rules**

This document provides statements or interpretations of ch. 77, [Wis. Stats.](#), and ch. Tax 11, [Wis. Adm. Code](#), enacted as of October 31, 2023.

Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date, that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.

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