



# Hotels, Motels, and Other Lodging Providers

**How Do Wisconsin Sales and Use Taxes  
Affect Your Operations?**

# TABLE OF CONTENTS

	Page
<b>1. INTRODUCTION.....</b>	<b>3</b>
<b>2. OBTAINING A SELLER'S PERMIT AND FILING RETURNS.....</b>	<b>4</b>
A. Who Must Obtain a Seller's Permit.....	4
B. When Should You Apply for a Seller's Permit? .....	4
C. Obtaining a Seller's Permit and Filing Returns.....	4
<b>3. HOTEL'S SALES AND RENTALS TO CUSTOMERS .....</b>	<b>4</b>
A. General.....	4
B. Lodging Services.....	4
C. Food and Beverages.....	10
D. Telephone Calls, FAX Transmissions, Cable TV, and Internet Access Charges.....	11
E. Vending Machines, Video Games, and Amusement Devices .....	11
F. Gift Shop Sales .....	14
G. Rentals of Tangible Personal Property.....	14
H. Parking .....	14
I. Laundry and Dry Cleaning Services and Machines .....	14
J. Photocopying Services and Machines.....	14
K. Admissions to Amusement, Athletic, Entertainment, and Recreational Facilities .....	15
L. Used Equipment and Furnishings .....	16
M. Tanning Beds and Spas.....	16
<b>4. HOTEL'S PURCHASES .....</b>	<b>16</b>
A. Taxable Purchases.....	16
B. Nontaxable Purchases.....	21
<b>5. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE?.....</b>	<b>23</b>
<b>APPENDIX .....</b>	<b>24</b>

**IMPORTANT CHANGES**

**Brown, Calumet, Sheboygan and Kewaunee Counties Adopt County Tax.** The 0.5% county tax was adopted by Sheboygan and Kewaunee Counties, became effective January 1, 2017 and April 1, 2017, respectively. The 0.5% county tax was adopted by Brown and Calumet Counties, became effective January 1, 2018 and April 1, 2018, respectively.

**City of Rhinelander and Village of Sister Bay Adopt Premier Resort Area Tax.** The 0.5% premier resort area tax was adopted by the City of Rhinelander and the Village of Sister Bay, became effective January 1, 2017 and July 1, 2018, respectively. Page 3.

**Short-term Lodging Providers and Lodging Marketplaces.** Information was added. Page 5.

**Quick Reference Guide for Exempt Sales of Lodging.** Reference guide was added to provide information for lodging providers regarding the required documentation to substantiate exempt sales of lodging. Appendix A, page 24.

**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 November 1, 2018. Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this publication. Guidance issued prior to October 1, 2018, is superseded by this publication, pursuant to sec. 73.16(2)(a), Wis. Stats.

The examples and lists of taxable and nontaxable sales and purchases are not all-inclusive. They merely set forth common examples.

**1. INTRODUCTION**

This publication explains how Wisconsin sales and use taxes affect hotels, motels, and other lodging providers. It includes examples of taxable and nontaxable sales and rentals and information about purchases by hotels, motels, and other lodging providers.

"Hotel," as used in this publication, includes hotels, motels, bed and breakfasts, resorts, lodges, inns, and others providing lodging accommodations to the public.

Certain sales and purchases by hotels which are subject to the 5% state sales and use tax may also be subject to the: (a) 0.5% county sales and use tax, (b) 0.1% baseball stadium sales and use tax, (c) local exposition taxes, and (d) 0.5% premier resort area sales tax for the City of Bayfield, the City of Eagle River, the Village of Stockholm, the City of Rhinelander (effective January 1, 2017), and the Village of Sister Bay (effective July 1, 2018), or 1.25% premier resort area sales tax for the City of Wisconsin Dells and the Village of Lake Delton. Additional information about these taxes is contained in the following:

- County tax: [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Part 18.
- Baseball stadium tax: [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Part 18, applies to sales and purchases made in Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties.
- Local exposition taxes: [Publication 410](#), *Local Exposition Taxes*, applies to sales and purchases of certain lodging, food, beverages, and car rentals in municipalities wholly or partially within Milwaukee County.

- Premier resort area tax: [Publication 403](#), *Premier Resort Area Tax*, applies to sales by certain types of retailers of taxable products and services in the Village of Lake Delton, City of Wisconsin Dells, City of Bayfield, City of Eagle River, the Village of Stockholm, the City of Rhinelander, and the Village of Sister Bay.

## 2. OBTAINING A SELLER'S PERMIT AND FILING RETURNS

### A. Who Must Obtain a Seller's Permit

Every individual, partnership, corporation, or other organization making taxable sales in Wisconsin, regardless of whether its sales are mercantile in nature, is required to have a seller's permit. See Part 3. for information about what sales and rentals by hotels are taxable in Wisconsin.

### B. When Should You Apply for a Seller's Permit?

Apply for a seller's permit at least three weeks before you open your business. If you buy an existing business, the seller's permit cannot be transferred to you. You must apply for a new permit. If you applied for a seller's permit before you opened your business but did not receive the permit at the time of opening the business, you are allowed to make retail sales. However, you are liable for the sales and use taxes and for keeping proper records from the date of opening the business.

### C. Obtaining a Seller's Permit and Filing Returns

See Part 3. of [Publication 201](#), *Wisconsin State and County Sales and Use Tax Information*, for information about how to obtain a seller's permit. Information about filing sales and use tax returns is also provided in Part 5. of Publication 201.

## 3. HOTEL'S SALES AND RENTALS TO CUSTOMERS

### A. General

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

**Note:** Certain sales by a hotel, motel, or other lodging provider are exempt from tax. See Part 3. for examples of the tax treatment of specific products.

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

### B. Lodging Services

- **Less than one month:** Furnishing lodging to the same person or entity (e.g., corporation, partnership, sole proprietorship) at a hotel for a continuous period of less than one month is taxable.

"**One month**," as used in this publication, means the lesser of: (1) a calendar month, or (2) a continuous period of 30 days. For purposes of counting the number of days stayed at a hotel, the day the customer checks into the hotel is counted as a day. However, the day the customer checks out of the hotel is **not** counted as a day.

**Example – Lodging for less than one month:** Customer checks into Hotel on August 1 and checks out of Hotel on August 30. Hotel has provided lodging to Customer for 29 days. The charge to Customer is taxable because he did not stay for an entire calendar month or for a continuous period of 30 days or more.

- **One month or more:** Furnishing lodging to the same person or entity (e.g., corporation, partnership, sole proprietorship) at a hotel for a continuous period of one month or more is **not** taxable.

**Note:** If the sale of the lodging service is exempt from Wisconsin sales tax, it is also exempt from the local room taxes (i.e., municipal room taxes, local exposition district taxes).

**Example – Lodging for one month or more:** Customer checks into Hotel on July 20 and checks out of Hotel on August 19. Hotel has provided lodging to Customer for 30 days. The charge to Customer is **not** taxable because Customer purchased lodging services for a continuous period of 30 days or more.

- **Short-term lodging providers and lodging marketplaces:** A provider of short-term lodging in Wisconsin must collect/remit Wisconsin sales tax on such sales if it holds a Wisconsin seller's permit or its taxable sales for the calendar year exceed \$2,000.

A "lodging marketplace" is required to register with the department for a lodging marketplace license.

A "lodging marketplace" is a person or business that (1) provides a platform through which an unaffiliated third-party offers a short-term rental of a residential dwelling for a fee, for fewer than 29 consecutive days, and (2) collects the consideration for the rental from the occupant.

In addition to registering for a lodging marketplace license, a lodging marketplace must collect sales and use taxes and any applicable local room taxes from the occupant and forward such taxes to the appropriate taxing authority. The lodging marketplace must notify the short-term lodging provider that the taxes have been collected and forwarded.

If a lodging marketplace does not collect tax, the short-term lodging provider is responsible for reporting and paying the taxes.

- **Rooms provided to airlines, trucking companies, railways, etc.**

A continuing monthly rental of a particular room or rooms by a business, including airlines, trucking companies, or railways, to be used by its employees for layover is not taxable because the stay is one month or more. The hotel is providing lodging for a continuous period of one month if the hotel is at all times during the month providing or obligated (i.e., airline has paid for the room or rooms) to provide a room or group of rooms to the customer.

If at any time during the month the hotel is not providing and is not obligated (i.e., airline has not paid for the use of the room or rooms) to provide a room or group of rooms to the customer, the hotel is not providing lodging for a continuous period of one month. The following two examples illustrate how to determine whether a room is provided for a "continuous period."

**Example 1 – two-day continuous period:** Airline's Flight Crew A checks into the hotel at 8:00 p.m. on June 5, 2018. Flight Crew A checks out of the hotel at 9:00 a.m. on June 6, 2018. Flight Crew B (Airline's next crew) arrives at the hotel and checks in at 5:00 p.m. on June 6, 2018.

Under its contract with Airline, the hotel is obligated to provide the rooms to Flight Crew A for a period of 25 hours and 15 minutes starting at the time the crew checks in. Therefore, the hotel is obligated to provide these rooms to Airline until 9:15 p.m. on June 6, 2018, under the contract.

Even though Flight Crew A checked out of the hotel prior to the arrival of Flight Crew B, the hotel is still considered to have provided lodging for a continuous 2-day period since Flight Crew B arrived within 25 hours and 15 minutes of when Flight Crew A originally checked in (i.e., Flight Crew B checked in prior to 9:15 p.m.).

**Example 2 – Not two-day continuous period:** Airline’s Flight Crew A checks into the hotel at 7:00 p.m. on June 5, 2018. Flight Crew A checks out of the hotel at 9:00 a.m. on June 6. Flight Crew B (the next crew) arrives at the hotel and checks in at 9:00 p.m. on June 6, 2018.

Under its contract with Airline, the hotel is only obligated to provide lodging to Flight Crew A for a period of 25 hours and 15 minutes starting at the time the crew checks in. Under the contract, Airline is only renting these rooms from the hotel up until 8:15 p.m. on June 6, 2018.

Since the hotel is not providing the airline any lodging service from 8:15 p.m. on June 6, 2018 (25 hours and 15 minutes after Flight Crew A arrived) until 9:00 p.m. on June 6, 2018 (the time when Flight Crew B checks in to the hotel), the hotel has not provided lodging for a continuous period of June 5 through June 6, 2018.

- **Lodging packages:** The entire charge for furnishing lodging packages, which include lodging along with other taxable or nontaxable property or services, is taxable, assuming more than 10 percent of the purchase price and sales price of the package is related to taxable products (i.e., lodging service, prepared food, admissions).

**Example – Lodging packages:** Hotel offers a lodging package for \$170. The package includes two nights of lodging, two breakfast buffets, dinner, and the use of the health spa. The entire \$170 is taxable.

See Part 3.K. for additional information relating to admissions to amusement places (e.g., waterparks) that hotels may include as part of a package.

- **Lodging for federal and Wisconsin governmental agencies, federally recognized American Indian tribes or bands in Wisconsin, and certain nonprofit organizations (See Appendix for "Quick Reference Guide to Exempt Lodging"):** Lodging furnished to the agencies, tribes or bands, and organizations listed below is not taxable:
  - (1) **Wisconsin** governmental agencies (including counties, cities, villages, towns, and public school districts),
  - (2) Federal governmental agencies,
  - (3) Federally recognized American Indian tribes or bands in Wisconsin, and
  - (4) Nonprofit organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals.

For lodging furnished to these governmental agencies, tribes or bands, and nonprofit organizations to be exempt from Wisconsin sales tax, the following conditions must be met:

- (1) The hotel issues the invoice or billing document in the name of the governmental agency, tribe, band, or nonprofit organization, and

**Note:** If the employee pays for the lodging, the employee should provide a document from the employer that he or she is traveling on government, tribe, band, or nonprofit organization business and will be reimbursed by his or her employer.

(2) The hotel receives one of the following:

- (a) For Wisconsin or federal governmental units or federally recognized American Indian tribes or bands in Wisconsin:
- A purchase order or similar written document identifying the governmental unit, tribe, or band as the purchaser,
  - A properly completed *Wisconsin Sales and Use Tax Exemption Certificate* ([Form S-211](#) or the [electronic exemption certificate, S-211E](#)) or *Streamlined Sales and Use Tax Exemption Certificate* – Wisconsin version ([Form S-211-SST](#)), or
  - The federal or Wisconsin governmental unit's, tribe's, or band's CES number which the hotel records on its copy of the invoice.
- (b) For **Wisconsin** nonprofit organizations, the Certificate of Exempt Status (CES) number which the hotel must enter on the hotel's copy of the invoice or billing document, or a properly completed *Wisconsin Sales and Use Tax Exemption Certificate* ([Form S-211](#) or the [electronic exemption certificate, S-211E](#)) or *Streamlined Sales and Use Tax Exemption Certificate* – Wisconsin version ([Form S-211-SST](#)), which provides the nonprofit organization's CES number.
- (c) For nonprofit organizations **not located in Wisconsin**, which are organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, a properly completed *Wisconsin Sales and Use Tax Exemption Certificate* ([Form S-211](#) or the [electronic exemption certificate, S-211E](#)) or *Streamlined Sales and Use Tax Exemption Certificate* – Wisconsin version ([Form S-211-SST](#)), even though they have not been issued a Wisconsin CES number.

The hotel must keep a copy of each of the documents (i.e., invoice or billing document, purchase order, CES number, exemption certificate) referred to in numbers (1) and (2) above, to show that the sale was exempt.

**Note:** If the sale of the lodging service is exempt from Wisconsin sales tax, it is also exempt from the local room taxes (i.e., municipal room taxes, local exposition district taxes).

**Example – Exempt sale to Wisconsin governmental employee:** A City of La Crosse employee purchases two nights of lodging while traveling on city business. The employee provides to the hotel a letter from the City of La Crosse, indicating that the employee is on city business and is authorized to purchase lodging relating to such business. On its billing, the hotel indicates that the City of La Crosse is the customer (the name of the city employee may also appear on the billing). The employee pays the bill with his or her own funds and is subsequently reimbursed by the City of La Crosse. The sale of the lodging is **not** taxable because it is considered a sale to a Wisconsin governmental agency. The hotel should keep the letter from the City of La Crosse in its files.

**Note:** In the above example, if the hotel issues the billing solely in the employee's name (rather than the city's), the sale is taxable since it is considered to be a sale to the individual, rather than a sale to the City of La Crosse.

**Note:** The exemption that a college, university, or technical college has for its purchases does not extend to purchases by others, such as contractors hired by the college, university, or technical college or another state's university system.

- **Governmental agencies of other states:** Furnishing lodging to governmental agencies (including counties, cities, villages, towns, and school districts) of states other than Wisconsin is taxable.

**Example – Taxable sale to governmental agency located outside Wisconsin:** A City of Chicago employee purchases four nights lodging from Hotel while traveling on city business in Wisconsin. The sale of the lodging is taxable. The City of Chicago is not a Wisconsin governmental agency.

- **Foreign diplomats:** Furnishing lodging to a foreign diplomat who has an exemption card issued by the federal Department of State is **not** taxable. A valid exemption card has a photograph of the individual, personal data, an expiration date, the mission name, and a tax exemption number on it. Valid cards also have an animal image (owl or eagle\*) to identify the level of exemption the cardholder is authorized to receive. The tax exemption number must be recorded on the hotel's invoice to exempt this type of sale from Wisconsin sales tax.

**Note:** If the sale of the lodging service is exempt from Wisconsin sales tax, it is also exempt from the local room taxes (e.g., municipal room taxes, local exposition district taxes).

\*An exemption certificate that has the image of a buffalo or deer cannot be used for lodging. The back of a foreign diplomat exemption card indicates what purchases are exempt from tax.

**Caution:** Not all foreign officials are entitled to tax exemption, because this privilege is based on reciprocity the Department of State has with other foreign missions. The Department of State, Office of Foreign Missions, issues a Diplomatic Tax Exemption Card to qualifying foreign officials. The [Office of Foreign Missions](#) includes on its website a database that allows retailers to verify the tax-exempt status of foreign officials.

- **Persons holding a direct pay permit:** Lodging services are not services for which a direct pay permit can be used. The hotel may not accept a copy of a direct pay permit or an exemption certificate (e.g., [Form S-211](#) or the [electronic exemption certificate, S-211E](#)) claiming a direct pay exemption from the tax.

**Note:** A person holding a direct pay permit generally can make purchases without tax and later report the tax to the department on its taxable purchases. This does not apply to purchases of lodging services.

- **Rooms generally used as sleeping accommodations:** Rentals of rooms generally used as sleeping accommodations are taxable, regardless of how the room is used.

**Example 1 – Sleeping room used by a salesperson for display room:** A salesperson pays to use a room, which is normally used for sleeping accommodations, as a display room from 8:00 a.m. to 4:00 p.m. Since this room is generally used for sleeping accommodations, the charge for the use of the room is taxable.

- **Complimentary rooms:** A hotel is not liable for sales tax on the furnishing of complimentary rooms that are provided for no consideration to guests, employees, travel agents, advertisers, or other persons.
- **Meeting and conference rooms:** Rentals of meeting and conference rooms used for meetings, conventions, conferences, and seminars are **not** taxable. Rentals of meeting and conference rooms are taxable if the rooms are used for amusement, entertainment, athletic, or recreational purposes. Room fees that are mandatory in order to receive prepared food are also taxable.
- **Forfeited room deposits:** Amounts customers deposit to hold a room and which are forfeited to the hotel because the customer fails to arrive and use the room ("no shows") are **not** taxable, if the room is available to be furnished to another guest.

If the hotel keeps the room available for the guest who is charged the deposit, the deposit is taxable.





- **Resort fees and fuel surcharge fees** — Mandatory resort fees and fuel surcharge fees charged in connection with the furnishing of lodging is considered part of the sale of the lodging. If the lodging charge is taxable, these fees are also taxable.
- **Security deposits** — Amounts charged to customers as security deposits solely for damages to the room are not taxable if such amounts are returned to the customer if there is no damage to the room.
- **Cleaning fees** — A mandatory cleaning fee charged in connection with the furnishing of lodging, such as a fee charged on all rooms, charged on all smoking rooms, charged on rooms with three or more guests, etc., is considered part of the sale of the lodging. If the lodging charge is taxable, the cleaning fee is also taxable.
- **Cancellation fees** — Amounts charged to customers who cancel a room reservation are not taxable if the room is available to be furnished to another guest. If the hotel keeps the room available for the customer who is charged the cancellation fee, the cancellation fee is taxable.
- **Late check-out fees** — Amounts charged to customers for late check-out in connection with the furnishing of lodging are part of the sale of the lodging to the customer. If the lodging charge is taxable, the late check-out fee is also taxable.
- **Damage fees** — Fees charged by the hotel for damages to the hotel room or furnishings are not taxable.
- **Lost key fees** — Amounts charged to customers for lost keys in connection with the furnishing of lodging are part of the sale of the lodging to the customer. If the lodging charge is taxable, the lost key fee is also taxable.
- **Lock out fees** — Amounts charged to guests if the guest is locked out of the room and the lodging provider has to let the guest back into the room are not taxable.
- **Smoking fees** — A fee charged by the hotel for cleaning that is charged on all smoking rooms is considered a part of the sales price from lodging and is taxable, unless an exemption applies. However, if the charge is a cleaning fee that is imposed only on rooms that require additional cleaning after the lodging period is over (i.e., the guest has already "checked-out" of the room), the fee is not taxable.
- **Child care services** — Fees for providing child care services are not taxable.
- **Pet fees** — Additional amounts charged to customers with a pet are considered a part of the total sale of the lodging to the customer. If the lodging charge is taxable, the amount charged as a pet fee is also taxable.
- **Local room taxes** — Local room taxes that are imposed by municipalities or the local exposition district are not subject to Wisconsin state, county, or stadium district taxes.

**Example 1:** A hotel, located in the City of Madison, provides lodging for ten days at the rate of \$100 per day to a customer. The charge by the hotel for the lodging is subject to 9% municipal room tax. The charge to the customer is computed as follows:

Lodging	\$ 1,000
State and county tax (\$1,000 x 5.5%)	55
Municipal room tax (\$1,000 x 9%)	<u>90</u>
Total charge to customer	<u>\$ 1,145</u>

**Example 2:** A hotel, located in the City of Milwaukee, provides lodging for ten days at the rate of \$100 per day to a customer. The charge by the hotel for the lodging is subject to the 2.5% local exposition district basic room tax and the 7% local exposition district additional room tax (9.5% total). The charge to the customer is computed as follows:

Lodging	\$ 1,000
State, county, and baseball stadium tax (\$1,000 x 5.6%)	56
Basic room tax (\$1,000 x 2.5%)	25
Additional room tax (\$1,000 x 7%)	<u>70</u>
Total charge to customer	<u>\$ 1,151</u>

### C. Food and Beverages

- **Prepared foods, candy, soft drinks, and dietary supplements** — Sales of prepared foods, candy, soft drinks, alcoholic beverages, and dietary supplements are taxable.

Examples of taxable food and beverage sales include:

- Beer
- Candy
- Dried fruit with sweeteners
- Heated food and beverages
- Juices that contain sweeteners and 50% or less fruit or vegetable juice by volume
- Nuts that are candy such as honey roasted cashews
- Sandwiches that are prepared foods
- Soft drinks
- Water, sweetened

For more information concerning sales of food and beverages, see [Publication 220](#), *Grocers: How Do Wisconsin Sales and Use Taxes Affect Your Operations?*

- **Room service charges, delivery charges, and gratuities** — Room service charges, delivery charges, and gratuities added by the seller on taxable sales of food and beverages are taxable. However, gratuities given at the customer's discretion are not taxable.
- **Food and beverages sold to employees** — Sales of food and beverages to employees are taxable in the same manner as sales to other persons.

A hotel is considered to have "sold" a meal (i.e., prepared food) to an employee in any of the following four situations:

- (1) Employee pays cash for the meal.
- (2) A charge for the meal is deducted from the employee's wages.
- (3) An employee receives meals in lieu of cash to bring the employee's compensation up to the legal minimum wage.
- (4) An employee has the option to receive cash for meals not consumed.

If the hotel offers discounted meals to its employees and is not reimbursed for the discount by another party, the amount that is taxable is the discounted amount (i.e., the amount that the employee pays).

**Example:** Hotel Restaurant sells prepared food to its employees at a 75% discount. Hotel Restaurant does not receive a reimbursement from any other person for the discounted amount. Employee purchases a \$10 hamburger for the discounted price of \$2.50. Hotel Restaurant's taxable receipts are \$2.50.

If a hotel also operates a restaurant, see Part 4.B.(4). of this publication for information relating to the restaurant's purchases of items that are furnished *for no consideration* to the restaurant's employees during the employee's work hours.

- **Beer, liquor, and other alcoholic beverages** — Sales of alcoholic beverages, such as beer, liquor, and wine, are taxable.
- **Bottled water in rooms** — Sales of bottled water that is provided in a guest's individual sleeping room are not taxable, unless the water is sweetened. Sales of bottled water that are sweetened are taxable.
- **Mandatory banquet room or cleaning fees with prepared food** — Banquet room fees, including room rental or cleaning fees, that are mandatory in order to receive prepared food, soft drinks, or alcoholic beverages are taxable as part of the selling price of the prepared food, soft drinks, or alcoholic beverages.
- **Cover charges** — Cover or minimum charges which entitle customers to receive entertainment or to dance are taxable.

**Example – Cover charges:** A hotel provides entertainment in its bar on Saturday nights. Everyone entering the bar after 8:00 p.m. is charged a \$2 cover charge. The \$2 charge is taxable.

**Note:** Sales of prepared foods, candy, soft drinks, dietary supplements, and cover charges to Wisconsin and federal governmental agencies, federally recognized American Indian bands or tribes in Wisconsin, certain nonprofit organizations, and qualifying foreign diplomats are not taxable. See the section titled *Lodging for Federal and Wisconsin Governmental Agencies, Federally Recognized American Indian Bands or Tribes in Wisconsin, and Certain Nonprofit Organizations*, on page 6 of this publication, concerning sales to these types of customers.

#### D. Telephone Calls, FAX Transmissions, Cable TV, and Internet Access Charges

- Charges by a hotel for telephone services, FAX transmissions, cable TV, and Internet access services are not taxable.
- Charges by a hotel for "pay-per-view" channels which the hotel purchases from the pay-per-view provider and then provides to the customer are not taxable.

**Note:** If the hotel is acting as the billing and collection agent of the pay-per-view service or Internet access provider, the hotel is required to collect the applicable tax from the customer on behalf of the pay-per-view or Internet access provider.

#### E. Vending Machines, Video Games, and Amusement Devices

- (1) **Vending machines** — Sales of taxable products and services through vending machines are taxable. If the hotel "controls" or is the "operator" of the machine, the hotel's receipts from the vending machine sales of items listed in Part (b)., below, are taxable.

A hotel is considered to have "control" over the vending machine or be the "operator" if: (1) the hotel has the right to access the machine for stocking, restocking, or removing the receipts from the machine, or (2) the hotel owns the tangible personal property or items, property, or goods, sold through the vending machine.

## (a) Exempt vending machine sales

Examples of exempt sales from vending machines, assuming the items do not meet the definition of "candy," "dietary supplement," "soft drink," or "prepared food," as those terms are defined in [Publication 220](#), *Grocers: How Do Wisconsin Sales and Use Taxes Affect Your Operations?*, include:

- Beverages that contain milk or milk products
- Cookies
- Donuts
- Fruit
- Granola bars that contain flour
- Ice tea that is not sweetened
- Juices that are more than 50% fruit or vegetable juice by volume
- Milk
- Newspapers
- Peanuts that are plain or just salted
- Potato chips and corn chips
- Pretzels
- Raisins that are not sweetened
- Unpopped bags of microwave popcorn
- Water that is not sweetened
- Yogurt

**Example:** Hotel sells fruit, milk in sealed cartons, and potato chips through vending machines located in the hotel lobby. Such sales are exempt from Wisconsin sales tax.

See [Publication 220](#), *Grocers – How Do Wisconsin Sales and Use Taxes Affect Your Operations?*, for more examples.

## (b) Taxable vending machine sales

Sales of the following items from vending machines are taxable (list is not all-inclusive):

- Baby care supplies, such as disposable diapers and wipes
- Cameras, film, and other photography supplies
- Candy and chewing gum
- Cigars, cigarettes, tobacco, and lighters
- Dietary supplements
- Electrical supplies, such as flashlights, bulbs, batteries, and fuses
- Fermented malt beverages and intoxicating liquors
- Heated foods, heated beverages, and other prepared foods

- Hygiene products, such as soap, shampoo, combs, deodorant, shaving cream, and razors
- Juice drinks that contain sweeteners and 50% or less fruit or vegetable juice by volume and powdered drink mixes that are dietary supplements
- Drugs, tonics, vitamins, and medicinal preparations in any form
- Photocopies
- Popcorn that is candy, such as caramel corn
- Prepaid telephone cards
- Reading materials such as books, magazines, and periodicals (newspapers are not taxable)
- Soft drinks
- Toiletries, such as toilet paper, facial tissue, bubble bath, toothbrushes, and feminine hygiene products
- Water that is sweetened
- Wearing apparel, such as gloves, hosiery, and shoelaces

**Example – Hotel is "Operator" of Vending Machine:** Hotel is the operator of a soda vending machine. (See Part 3.E.(3). for an example of when the hotel receives commissions and is not the "operator" of the machine.) The vending machine has a posted sign stating that the "Price Includes Sales Tax." In January, the total amount that customers paid into the machine is \$200. The \$200 includes tax; therefore, the sales price taxable is \$190.48, and the 5% state sales tax liability is \$9.52 (\$200 divided by 105% = \$190.48 sales price). This example does not account for any local taxes.

**(2) Video games and amusement devices** — Receipts from video games and amusement devices are taxable.

If the hotel "controls" or is the "operator" of the video game or amusement device, the hotel's receipts from the video games and amusement devices are taxable. See Part 3.E.(1)., titled *Vending Machines*, for an explanation of "control" and "operator."

**(3) Commissions** — If the hotel receives commissions from a third party who "controls" or is the "operator" of the vending machines, video games, and amusement devices, the hotel's receipts from such commissions are **not** taxable. The third party is responsible for reporting the Wisconsin sales tax on the total sales from the machine, without any deduction for the commission which is paid.

**Example – Commissions:** Hotel receives a commission equal to 50% of the total sales from an amusement device in return for allowing Company to place the amusement device in Hotel. Hotel is not the operator of and does not control the amusement device. A statement on the amusement device indicates that the "Price Includes Sales Tax." In February, the total amount that customers pay to play the amusement device is \$200. Hotel receives a commission of \$95.24. (The 50% commission was calculated as follows: \$200 divided by 105% = \$190.48; \$190.48 X 50% = Hotel's commission.) The \$95.24 commission received by Hotel is not taxable. Company's total sales (less the sales tax included) from the amusement device of \$190.48 are taxable and must be reported on Company's sales and use tax return. This example does not account for any local taxes.

## F. Gift Shop Sales

- Sales of tangible personal property, such as souvenirs, clothing, postcards, candy, magazines, and soft drinks, are taxable.
- Sales of newspapers are not taxable.

## G. Rentals of Tangible Personal Property

- **Furniture and equipment** — Rentals of furniture and equipment, such as rollaway beds, tables, audio-visual equipment, video tapes and games, DVDs, microphones, microwave ovens, refrigerators, etc., that are separate and optional from the room rental are taxable.

**Example 1 – Renting equipment:** Customer rents a meeting room from Hotel for \$300. Customer is also charged \$100 for the use of audio-visual equipment. The equipment rental charge of \$100 is taxable. The \$300 for the rental of the meeting room is not taxable.

**Example 2 – Renting meeting room with equipment:** Customer rents a meeting room from Hotel for \$500. The \$500 entitles Customer the use of the room and various audio-visual equipment, tables, and chairs, regardless of whether Customer actually uses the items. The \$500 is not taxable.

See Part 4.B.(5). for the tax treatment of the hotel's purchase of the rental equipment.

- **Recreational equipment** — Rentals of recreational equipment, such as bicycles, canoes, boats, rafts, water skis, fishing poles, and motor bikes are taxable.

See Part 4.B.(5). for the tax treatment of the hotel's purchase of the rental equipment.

## H. Parking

Charges for providing parking space for motor vehicles are taxable.

**Example 1 – Separate charge for room and parking:** Customer stays in Hotel for one night. Hotel has a parking ramp. Hotel charges Customer \$80 for the room. If Customer chooses to park in the parking ramp, Hotel adds a separate charge of \$10 for parking. Both the \$80 for the room and the \$10 for the parking are taxable.

**Example 2 – Parking only:** Hotel offers parking for \$20 per day to persons not staying at their hotel. The \$20 is taxable.

**Example 3 – Parking charge to eat at restaurant:** Hotel charges \$3 to park in the hotel's parking lot while eating at a restaurant. The \$3 is taxable.

## I. Laundry and Dry Cleaning Services and Machines

- Laundry and dry cleaning services provided by hotels are taxable.
- Receipts from self-service laundry machines are not taxable.

## J. Photocopying Services and Machines

- Charges for photocopies made by hotels for customers are taxable.

- If the hotel "controls" or is the "operator" of self-service photocopy machines, its receipts from such machines are taxable. It does not matter whether the machines are coin-operated or activated by tokens or magnetic cards. See Part 3.E., titled *Vending Machines, Video Games, and Amusement Devices*, for additional information.

#### K. Admissions to Amusement, Athletic, Entertainment, and Recreational Facilities

Charges for providing access to amusement, athletic, entertainment, and recreational facilities, places or events, (e.g., bars, night clubs, swimming pools, golf courses, driving ranges, and horseback riding) are taxable, except when one of the following apply:

- (1) The person uses the facility for a nonrecreational type of event (religious meeting, political meeting, trade show, educational seminar, swimming lessons). The hotel should document why this sale is not taxable on the copy of the invoice that it retains for its records.
- (2) The organization paying for the use of the facility is exempt from tax (e.g., a church that holds a CES number). See Part 3.B. for information about documentation needed.
- (3) The facility will be used for a recreational, amusement, entertainment, or athletic event, but the person renting the facility, sells admission to the event to the public. The person renting the facility may claim the resale exemption for the admissions by providing the hotel with a fully completed *Wisconsin Sales or Use Tax Exemption Certificate* ([Form S-211](#) or the [electronic exemption certificate, S-211E](#)) or *Streamlined Sales and Use Tax Exemption Certificate* – Wisconsin version ([Form S-211-SST](#)) claiming resale.

A tax release published on pages 15 to 17 of [Wisconsin Tax Bulletin #78 \(July 1992\)](#), titled "Admissions to Athletic or Recreational Events or Places," provides additional information on what charges relating to the use of athletic and health club facilities are taxable.

**Example 1 – Separate and optional charge for admission to waterpark operated by hotel:** Hotel has a waterpark within its hotel. Hotel charges \$10 per person to use the waterpark. Hotel's \$10 charge for admission to the waterpark is taxable.

**Example 2 – Admission to waterpark operated by hotel included with lodging services:** Same as Example 1, except that Hotel includes the use of the waterpark allows persons staying at its hotel to use the waterpark for no additional charge. Persons not staying at the hotel must still pay \$10 per person to use the waterpark. For persons staying at the hotel, Hotel does not have any receipts from admission to the waterpark. For persons not staying at the hotel, Hotel's \$10 charge for admission to the waterpark is taxable.

**Example 3 – Separate and optional charge for admission to waterpark operated by third party:** Hotel provides lodging services for \$100 per night. Persons staying at the hotel are given the option to purchase an admission to a waterpark operated by a third party for \$15. Hotel's \$100 charge to its customer for the lodging service and the \$15 charge for admission to the waterpark are taxable. Hotel's purchases of the admissions to the waterpark from the third party that Hotel resells to its customers are not taxable because they are for resale.

**Example 4 – Admission to waterpark operated by third party included with lodging services:** Hotel charges \$125 per night for lodging services. Included in the \$125 per night charge are passes to a waterpark operated by a third party that Hotel purchased from the third party. A customer who does not want the waterpark passes is not given a discount from the \$125 per night charge. Hotel's \$125 per night charge to its customer is taxable. Hotel's purchases of the waterpark passes from the third party are taxable since the hotel is the consumer of the waterpark admissions that it provides as part of its lodging services.

## L. Used Equipment and Furnishings

Sales of used tangible personal property such as furniture, televisions, and computers and other used equipment, are taxable. These sales are taxable, even though the hotel paid Wisconsin sales or use tax at the time the items were originally purchased.

**Example – Sale of used televisions:** Hotel sells used television sets for \$50 each. Hotel paid sales tax on its original purchase of the television sets five years ago. The \$50 charge is taxable, even though the hotel paid Wisconsin sales tax on its purchase of the television sets.

A hotel that is registered or required to be registered to collect Wisconsin sales and use taxes must collect and remit the applicable state, county, stadium, and premier resort area taxes on its sales of motor vehicles, boats, snowmobiles, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, and aircraft, even though the hotel is not a "dealer" or "registered dealer" of the item sold.

**Exception:** An occasional sale exemption may apply if the sale of the item is made after the hotel has ceased business. For additional information about this exemption, see [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Part 15.

## M. Tanning Beds and Spas

Charges for the use of tanning beds and spas are not taxable.

# 4. HOTEL'S PURCHASES

## A. Taxable Purchases

Hotels are the consumers of taxable products and services they use to provide lodging services to their customers. Therefore, hotels must pay Wisconsin sales or use tax on their purchases of such taxable products and services, unless an exemption applies.

**Note:** If Wisconsin sales or use tax is not charged by the supplier of the taxable product or service, Wisconsin use tax must be reported and paid by the hotel to the Wisconsin Department of Revenue on its *Wisconsin Sales and Use Tax Return*.

### (1) Tangible personal property and digital goods

The following are examples of tangible personal property and digital goods purchased by hotels which are taxable:

(a) Furniture, appliances, etc.:

- Advertising signs, except the concrete foundation
- Artwork
- Beds
- Bellman carts
- Blinds
- Carpeting



- Chairs and couches
- Desks and dressers
- Drapes
- DVD players
- Freezers
- Ice machines
- Intercoms
- Lamps
- Microwave ovens
- Mirrors
- Night stands
- Pillows
- Radios
- Recreational equipment
- Refrigerators
- Satellite dishes, except the concrete foundation
- Tables
- Telephones
- Televisions
- Vending machines
- Video cassette players/recorders (VCRs)
- Video games, pool tables, dart boards, jukeboxes

(b) Office equipment and supplies:

- Advertising brochures and literature used in Wisconsin, except advertising catalogs
- Check machines
- Computer equipment
- Computer supplies
- Copy machines and supplies
- Desks
- Digital audiovisual works
- Digital audio works
- Digital books
- Electricity

- Envelopes
- FAX machines and supplies
- File folders
- Guest receipts
- Name badges
- Natural gas and propane
- Paper
- Pens and pencils
- Prewritten computer software
- Reservation slips
- Stationery
- Time clock and time cards
- Training videos

(c) Room supplies:

- Bibles
- Candy
- Champagne
- Clothing hangers
- Coffee makers
- Cups
- Door tags
- Flowers
- Garbage cans
- Glasses
- Ice buckets
- Keys
- Matchbooks
- Paper and plastic bags
- Shampoo
- Soap
- Tissues
- Toiletries

## (d) Linen supplies:

- Bath mats
- Bedding
- Laundry bags
- Towels
- Uniforms
- Washcloths

## (e) Cleaning and maintenance equipment and supplies:

- Carpet sweepers
- Cleaning supplies
- Laundry machines and dryers
- Lawn equipment and supplies
- Maid carts
- Pool chemicals and supplies
- Portable vacuum cleaners
- Repair parts for any taxable tangible personal property
- Snow removal equipment (e.g., snow blowers, plows, shovels)
- Storage racks

## (f) Restaurant and bar equipment and supplies:

- Bar stools
- Chairs
- Cookware
- Cooking utensils
- Counters
- Cloth napkins
- Dishwashers
- Garbage disposal units
- Glassware
- Refrigerators
- Serving carts
- Serving utensils (see Note in Part 4.B.(2) relating to certain disposable items.)
- Stools

- Storage containers
- Stoves and ovens
- Tables
- Tablecloths
- Tableware (see Note in Part 4.B.2 relating to certain disposable items.)

**Caution:** If any of the tangible personal property listed in Part 4.A.1. or items or goods are also installed by the supplier of the property, item, or good and the installation results in a real property improvement (rather than a sale and installation of tangible personal property), the hotel is not liable for Wisconsin sales or use tax on the hotel's purchase and installation of the property, item, or good. The supplier who installs these items is required to pay Wisconsin sales or use tax on its purchase price of the tangible personal property, item, or good used in making the real property improvement.

**Example 1:** Hotel purchases carpeting from Carpet Supplier. Carpet Supplier also installs the carpet for Hotel. Hotel's purchase of the carpeting and installation from Carpet Supplier is not taxable, since this is a real property improvement. Carpet Supplier is required to pay Wisconsin sales or use tax on its cost of the carpeting and other materials used in making the real property improvement.

**Example 2:** Hotel purchases a mirror to be installed (i.e., affixed to the wall) in one of its sleeping rooms from Mirror Supplier. Mirror Supplier also installs the mirror in the sleeping room. Hotel's purchase of the mirror and installation is taxable, since the mirror, when installed in a sleeping room, represents a purchase of tangible personal property used to carry on a trade or business. Mirror Supplier may purchase the mirror from its supplier without paying Wisconsin sales or use tax.

If you have questions as to whether a particular item, when installed, constitutes a taxable or nontaxable purchase, see [Publication 207](#), *Sales and Use Tax Information for Contractors*.

## (2) Services

The following are examples of taxable services purchased by hotels:

- Cable and satellite TV
- Cleaning and maintaining pools
- Cleaning carpeting and rugs
- Cleaning tangible personal property (e.g., drapes, couches, chairs)
- Inspecting, repairing, and maintaining tangible personal property (e.g., televisions, refrigerators, boilers, furnaces, water softeners, water heaters)
- Landscaping and gardening
- Laundry and dry cleaning
- Telephone, FAX transmissions, and Internet access

## B. Nontaxable Purchases

The following purchases of tangible personal property and services by hotels are **not** taxable:

### (1) Tangible personal property to be resold

Purchases of tangible personal property (e.g., books, magazines, candy, postcards, clothing, toiletries, and souvenirs), which will be resold to customers, are **not** taxable.

If the tangible personal property is transferred incidentally as part of the sale of the lodging service (e.g., shampoo provided in each room, towels), the hotel may not purchase those items without tax. See Example 22 of the article titled "[Buy One, Get One Free and Similar Promotions](#)" on the department's website for additional information.

### (2) Certain restaurant and bar disposable items

Purchases of paper and plastic disposable items which are transferred to customers when selling (rather than giving away at no charge) prepared foods, food products, and beverages are not subject to Wisconsin sales or use tax. Examples of such items include paper napkins, paper and plastic cups, straws, disposable placemats, plastic utensils, and styrofoam or paper take-home containers. (See Part 4.B.4. for the taxability of prepared foods, food products, beverages, and disposable items purchased by hotels and given to employees.)

**Note:** Purchases of paper and plastic disposable items which are transferred to customers when giving away (rather than selling) prepared foods, food products, and beverages, are taxable.

**Example – Disposable items given away with complimentary breakfast:** Hotel provides a free breakfast with the purchase of lodging. In addition to the food items, Hotel also purchases napkins, plastic utensils, and paper and plastic cups which will be used by the persons who receive the free breakfast. Hotel's purchases of the napkins, plastic utensils, and paper and plastic cups are taxable, because no exemption applies.

Since Hotel is giving away the breakfasts at no charge (rather than selling them), Hotel is the consumer of the food, beverages, napkins, plastic utensils, and paper and plastic cups. Therefore, Hotel is required to pay Wisconsin sales or use tax on the purchase of these items, unless an exemption applies, such as for purchases of food or food ingredients, except candy, soft drinks, dietary supplements, and prepared foods, as discussed below.

### (3) Food, food products, and beverages given away

Purchases of food and food ingredients are exempt from tax, except for purchases of candy, soft drinks, dietary supplements, and prepared food. Therefore, when a hotel purchases exempt food and food ingredients to give to its customers for no charge, the hotel does not owe sales or use tax on its purchase of such exempt food and food ingredients.

If the hotel purchases candy, soft drinks, dietary supplements, and prepared food that it gives away to its customers for no charge (or provides incidentally with lodging services), the hotel's purchase of such items is taxable.

**Note:** Alcoholic beverages are also taxable.

**Example – Complimentary breakfast:** Hotel offers a complimentary breakfast to its customers. Hotel purchases the bakery items, fruit, coffee (5 lb. can), and 100% pure juice from Supplier. Supplier does not charge Wisconsin sales or use tax on the items. The purchases of the bakery items, fruit, coffee, and juice by Hotel are not taxable, because the items are food and food ingredients that qualify for exemption from tax.

**Note:** If the items being given to customers at no charge are not exempt food or food ingredients (e.g., candy, mints, soda), the hotel should pay Wisconsin sales tax on the item when it is purchased. If the hotel did not pay the sales tax when the item was purchased, the hotel is liable for the Wisconsin use tax due on the purchase price of the item being given away.

#### (4) Food, food products, and beverages given away to employees

The taxability of food, food products, beverages, and disposable items purchased by hotels and given to employees for free is the same as discussed in Part 4.B.(2). and (3).

**Exception:** If a hotel operates a restaurant in the hotel and the restaurant furnishes candy, soft drinks, dietary supplements, and prepared foods to the restaurant's employees for no consideration during the employee's work hours, the restaurant's purchases of such candy, soft drinks, dietary supplements, and prepared foods, and disposable products that are transferred with such items, are not taxable.

**Note:** The restaurant's **sales** of such items are taxable.

**Example:** Hotel Restaurant purchases soft drinks without sales tax to sell to customers. A portion of the soft drinks are not sold. Instead, they are furnished by Hotel Restaurant, for no consideration, to its employees during the employees' work hours. Hotel Restaurant is exempt from Wisconsin sales and use tax on the portion of the soft drinks furnished for no consideration to its employees during the employees' work hours.

**Note:** Purchases of the items listed above are taxable if the items are not given to the employees during the employees' work hours.

#### (5) Equipment which will be rented to others

A hotel may purchase equipment without tax, for resale, that will be used **only** to rent to others for a fee. Examples of such items include audio-visual equipment, bicycles, canoes, rafts, skis, fishing poles, recorders, and tapes.

If a hotel purchases equipment that it will use itself (in addition to renting it to customers), the hotel's purchase of the equipment is taxable.

**Example – Item being rented and also used by hotel:** Hotel purchases a DVD player which will be used by its employees for training purposes and also for rental to others. Since the DVD player is not being used only for rental to others, Hotel's purchase of the DVD player is taxable. Hotel's receipts from renting the DVD player are taxable.

If a hotel purchases equipment that it will provide free of charge to customers who purchase lodging or will provide lodging that includes a mandatory charge for equipment, the hotel's purchase of the equipment is taxable.

**Example 1:** Hotel purchases paddle boats for use by customers. Hotel guests may use the paddle boats for no additional fee. Customers who are not guests of the hotel may rent the paddle boats for \$10 per hour.

Hotel's purchase of the paddle boats is taxable. Hotel's receipts from renting the paddle boat are also taxable.

**Example 2:** Same as Example 1, except that Hotel charges all persons using a paddle boat \$10 per hour (i.e., guests of the hotel as well as non-guests are charged for the use of the paddle boat). Hotel makes no use of the paddle boats other than to rent them for a fee. Hotel may purchase the paddle boats without tax, for resale. Hotel's receipts from renting the paddle boat are taxable.

**Example 3:** Hotel rents a meeting room to Company for \$300 plus a mandatory \$100 facility charge. The facility charge allows Company to use tables, chairs, and a projector at its event. The \$100 facility fee is charged to Company, even if Company chooses not to use the tables, chairs, and projector. Hotel's purchase of the tables, chairs, and projector is taxable. Hotel's receipts from the \$100 facility fee are considered part of its sales price from the room rental and are not taxable.

**Example 4:** Same as Example 3, except that the facility fee is an optional fee. If Company chooses not to use the tables, chairs, and projector, Company is not charged the \$100 facility fee. Hotel makes no use of the tables, chairs, and projector other than to rent them to customers for a separate and optional fee. Hotel may purchase the tables, chairs, and projector without tax, for resale. Hotel's receipts from the \$100 facility fee (i.e., for renting the tables, chairs, and projector) are taxable.

## 5. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE?

If you are unable to find an answer to your questions about sales and use taxes, visit the department's website, email, write, or call:

**Visit our website . . .** [revenue.wi.gov](http://revenue.wi.gov)

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

**Write . . .**  
Mail Stop 5-77  
Wisconsin Department of Revenue  
P.O. Box 8949  
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

## Quick Reference Guide for Exempt Sales of Lodging

This reference guide provides information for lodging providers regarding the required documentation to substantiate exempt sales of lodging. Additional examples are included for sales that are not exempt from Wisconsin sales tax.

**Local Room Taxes:**

If the sale of the lodging service is exempt from Wisconsin sales tax, it is also exempt from the local room taxes (e.g., municipal room taxes, local exposition district taxes).

**Documentation to Retain:**

The hotel must keep a copy of each of the documents (e.g., invoice or billing document, purchase order, CES number, exemption certificate) referred to below, to show that the sale was exempt.

**Examples of Lodging Provided to Certain Entities That are Exempt from Wisconsin Sales Tax**

Agency, tribe or band, organization	For lodging to be furnished exempt from Wisconsin sales tax, the following conditions must be met:
<b>Wisconsin</b> governmental agencies (including counties, cities, villages, towns, and public school districts)	<ol style="list-style-type: none"> <li>1. The hotel issues the invoice or billing document in the name of the governmental agency, AND</li> <li>2. The hotel receives one of the following:             <ol style="list-style-type: none"> <li>a. A purchase order or similar written document identifying the governmental unit as the purchaser, or</li> <li>b. A fully completed <i>Wisconsin Sales and Use Tax Exemption Certificate</i> (<a href="#">Form S-211</a> or the <a href="#">electronic exemption certificate, S-211E</a>) or <i>Streamlined Sales and Use Tax Exemption Certificate – Wisconsin version</i> (<a href="#">Form S-211-SST</a>)</li> <li>c. The Wisconsin governmental unit's Certificate of Exempt Status (CES) number which the hotel records on its copy of the invoice.</li> </ol> </li> </ol> <p><b>Note:</b> If the employee* pays for the lodging, the employee must provide a document from the employer that he or she is traveling on government business and will be reimbursed by his or her employer in addition to requirements 1 and 2 above.</p> <p>*The exemption that a college, university, or technical college has for its purchases does not extend to purchases by others, such as contractors hired by the college, university, or technical college or another state's university system.</p>



Agency, tribe or band, organization	For lodging to be furnished exempt from Wisconsin sales tax, the following conditions must be met:
Federal governmental agencies	<ol style="list-style-type: none"> <li>1. The hotel issues the invoice or billing document in the name of the federal governmental agency, AND</li> <li>2. The hotel receives one of the following: <ol style="list-style-type: none"> <li>a. A purchase order or similar written document identifying the governmental unit as the purchaser, or</li> <li>b. A fully completed <i>Wisconsin Sales and Use Tax Exemption Certificate</i> (<a href="#">Form S-211</a> or the <a href="#">electronic exemption certificate, S-211E</a>) or <i>Streamlined Sales and Use Tax Exemption Certificate</i> – Wisconsin version (<a href="#">Form S-211-SST</a>)</li> <li>c. The federal governmental unit’s CES number which the hotel records on its copy of the invoice.</li> </ol> </li> </ol> <p><b>Note:</b> If the employee pays for the lodging, the employee must provide a document from the employer that he or she is traveling on government business and will be reimbursed by his or her employer in addition to requirements 1 and 2 above.</p> <p>*The exemption that a federal governmental agency has for its purchases does not extend to purchases by others, such as contractors hired by the federal governmental agency.</p>
Foreign diplomats	<ol style="list-style-type: none"> <li>1. Foreign diplomat who has an exemption card issued by the federal Department of State with the following: <ol style="list-style-type: none"> <li>a. A valid exemption card has a photograph of the individual, personal data, an expiration date, the mission name, and a tax exemption number on it.</li> <li>b. Valid cards also have an image of an owl or eagle. (See chart below for cards that do not qualify.)</li> </ol> </li> <li>2. The tax exemption number must be recorded on the hotel’s invoice to exempt this type of sale from Wisconsin sales tax.</li> </ol> <p><b>Caution:</b> Not all foreign officials are entitled to tax exemption, because this privilege is based on reciprocity the Department of State has with other foreign missions. The <a href="#">Office of Foreign Missions</a> includes on its website a database that allows retailers to verify the tax-exempt status of foreign officials.</p>

Agency, tribe or band, organization	For lodging to be furnished exempt from Wisconsin sales tax, the following conditions must be met:
Federally recognized American Indian tribes or bands in Wisconsin	<ol style="list-style-type: none"> <li>1. The hotel issues the invoice or billing document in the name of the federally recognized American Indian tribe or band in Wisconsin, AND</li> <li>2. The hotel receives one of the following:               <ol style="list-style-type: none"> <li>a. A purchase order or similar written document identifying the tribe or band as the purchaser,</li> <li>b. A fully completed <i>Wisconsin Sales and Use Tax Exemption Certificate</i> (<a href="#">Form S-211</a> or the <a href="#">electronic exemption certificate, S-211E</a>) or <i>Streamlined Sales and Use Tax Exemption Certificate – Wisconsin version</i> (<a href="#">Form S-211-SST</a>), or</li> <li>c. The tribe’s or band’s CES number which the hotel records on its copy of the invoice.</li> </ol> </li> </ol> <p><b>Note:</b> If the employee pays for the lodging, the employee must provide a document from the employer that he or she is traveling on tribe or band business and will be reimbursed by his or her employer in addition to requirements 1 and 2 above.</p> <p>*The exemption that a federally recognized American Indian tribe or band in Wisconsin has for its purchases does not extend to purchases by others, such as contractors hired by the federally recognized American Indian tribe or band in Wisconsin.</p>
Wisconsin nonprofit organizations with Certificate of Exempt Status	<ol style="list-style-type: none"> <li>1. The hotel issues the invoice or billing document in the name of the WI nonprofit organization, AND</li> <li>2. The nonprofit organization's CES number which the hotel must enter on the hotel’s copy of the invoice or billing document, or a fully completed <i>Wisconsin Sales and Use Tax Exemption Certificate</i> (<a href="#">Form S-211</a> or the <a href="#">electronic exemption certificate, S-211E</a>) or <i>Streamlined Sales and Use Tax Exemption Certificate – Wisconsin version</i> (<a href="#">Form S-211-SST</a>), which provides the nonprofit organization’s CES number.</li> </ol> <p><b>Note:</b> If the employee pays for the lodging, the employee must provide a document from the employer that he or she is traveling on nonprofit organization business and will be reimbursed by his or her employer in addition to requirements 1 and 2 above.</p>

Agency, tribe or band, organization	For lodging to be furnished exempt from Wisconsin sales tax, the following conditions must be met:
Non-Wisconsin nonprofit organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals	<ol style="list-style-type: none"> <li>1. The hotel issues the invoice or billing document in the name of the non-Wisconsin nonprofit organization.</li> <li>2. A fully completed <i>Wisconsin Sales and Use Tax Exemption Certificate</i> (<a href="#">Form S-211</a> or the <a href="#">electronic exemption certificate, S-211E</a>) or <i>Streamlined Sales and Use Tax Exemption Certificate – Wisconsin version (Form S-211-SST)</i>, even though it does not have a Wisconsin CES number.</li> </ol> <p><b>Note:</b> If the employee pays for the lodging, the employee must provide a document from the employer that he or she is traveling on nonprofit organization business and will be reimbursed by his or her employer in addition to requirements 1 and 2 above.</p>
State Veterans organizations	<p>A fully completed <i>Wisconsin Sales and Use Tax Exemption Certificate</i> (<a href="#">Form S-211</a> or the <a href="#">electronic exemption certificate, S-211E</a>) or <i>Streamlined Sales and Use Tax Exemption Certificate – Wisconsin version (Form S-211-SST)</i>, even though it does not have a Wisconsin CES number. On page 2 of the Form S-211, under "Other," the organization must check the box for "Other purchases exempted by law" and enter "Exempt under sec. 77.54(9g), Wis. Stats." in the space provided.</p> <p><b>Note:</b> The state veterans organization does not qualify for a Certificate of Exempt Status (CES) number.</p> <p>*The exemption provided for state veterans organizations does not include property and services used primarily in preparing, storing, serving, selling, or delivering food and beverages, that are sold by the veterans organization. Additionally, products and services for cleaning machinery and equipment used for the food and beverage sales are not exempt.</p>

### Examples of Taxable Lodging Provided

NOT exempt	Explanation
Governmental agencies of other states	Furnishing lodging to out-of-state (non-Wisconsin) governmental agencies (including counties, cities, villages, towns, and school districts) is taxable.
Public schools of other states	Public schools are part of the government. See above.
Wisconsin nonprofit organizations that do not hold a Certificate of Exempt Status (CES) Number	A Wisconsin nonprofit organization that is organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals MUST hold a Wisconsin CES number to claim the exemption.

<b>NOT exempt</b>	<b>Explanation</b>
Persons holding a direct pay permit	Lodging services are not services for which a direct pay permit can be used. The hotel may not accept a copy of a direct pay permit or an exemption certificate (e.g., <a href="#">Form S-211</a> or the <a href="#">electronic exemption certificate, S-211E</a> ) claiming a direct pay exemption from the tax.
Foreign diplomats	Foreign diplomat who has an exemption card issued by the federal Department of State that has the image of a buffalo or deer cannot be used for lodging. The back of a foreign diplomat exemption card indicates what purchases are exempt from tax.