



# Veterinarians

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

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**IMPORTANT CHANGES**

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

**Definition of Beekeeping.** A definition of beekeeping has been added to Part 2. Effective December 1, 2017, the business of farming includes beekeeping.

**Dietary Supplements.** Additional information about sales of dietary supplements has been added to Part 4.

**Increase in Taxable Sales Threshold for the Occasional Sales Exemption.** Beginning with sales made in 2018, the threshold for a veterinarian's taxable sales that may qualify for the occasional sale exemption increased from \$1,000 to \$2,000. See Part 5.

**Internet Sales of Drugs.** Information about Internet sales of drugs has been added to Part 9.

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 Guidance issued prior to December 1, 2018, superseded by this publication, pursuant to sec. 73.16(2)(a), Wis.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

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

**1. INTRODUCTION**

This publication explains how Wisconsin sales and use taxes affect veterinarians. It includes examples of nontaxable and taxable sales and purchases. If you have questions after reading this publication, contact any Wisconsin Department of Revenue office for assistance.

Certain sales and purchases by veterinarians which are subject to the 5% state 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) 0.5% local exposition tax on food and beverages, and (d) 0.5% or 1.25% premier resort area sales tax.

**Note:** Any retailer who holds or is required to hold a Wisconsin seller's permit or Wisconsin use tax registration certificate must charge and collect, in addition to the applicable Wisconsin state sales and use taxes, all applicable county sales and use taxes, baseball stadium district sales and use taxes, local exposition district sales taxes, and premier resort area sales taxes that apply, based on the location to which the sale is sourced. See Part 7.B.

Additional information about these taxes is contained in the following:

- County tax: See [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Part 18.
- Baseball stadium tax: See [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Part 18.
- Local exposition tax on food and beverages: [Publication 410](#), *Local Exposition Taxes*. (Sales of food and beverages which are subject to the 5% Wisconsin state sales tax may also be subject to the 0.5% food and

beverage local exposition tax if the sales take place in a municipality located wholly or partially in Milwaukee County.)

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

## 2. DEFINITIONS

As used in this publication, these terms have the following meanings:

### **Beekeeping**

"Beekeeping" means the business of moving, raising, producing, and other management of bees or bee products, regardless of the number of hives of bees managed.

### **Custom Farming Services**

"Custom farming services" means the performance of an activity, defined as farming in this publication, for a farmer, for a fee. The fee may include a cash payment, a share of the harvest, or other valuable consideration. "Custom farming services" includes services performed by a veterinarian to farm livestock or work stock used exclusively in the business of farming.

### **Drug**

"Drug," means a compound, substance, or preparation, or any component of them, other than food and food ingredients, dietary supplements, or alcoholic beverages, to which any of the following applies:

- It is listed in the United States Pharmacopoeia, Homeopathic Pharmacopoeia of the United States, or National Formulary, or any supplement to any of them.
- It is intended for use in diagnosing, curing, mitigating, treating, or preventing a disease.
- It is intended to affect a function or structure of the body.

"Drug" includes pet foods containing one or more drugs, and also includes pet foods that are specifically formulated for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals. "Drug" also includes sutures.

"Drug" does not include any of the following:

- Alcoholic Beverages

"Alcoholic beverage" means a beverage that is suitable for human consumption and that contains 0.5 percent or more of alcohol by volume.

- Dietary Supplements

"Dietary supplement" means a product, other than tobacco, that is intended to supplement a person's diet, if all of the following apply:

- The product contains any of the following ingredients or any combination of any of the following ingredients:
  1. A vitamin.
  2. A mineral.

3. An herb or other botanical.
  4. An amino acid.
  5. A dietary substance that is intended for human consumption to supplement the diet by increasing total dietary intake.
  6. A concentrate, metabolite, constituent, or extract.
- The product is intended for ingestion in tablet, capsule, powder, soft-gel, gel-cap, or liquid form, or, if not intended for ingestion in such forms, is not represented as conventional food and is not represented for use as the sole item of a meal or diet.
  - The product is required to be labeled as a dietary supplement as required under 21 CFR 101.36.
- Food and Food Ingredients

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

### **Farm Livestock**

"Farm livestock" means animals used exclusively in the business of farming and includes:

- animals being raised commercially as a food product for human consumption (e.g., beef cattle, poultry)
- animals being raised to produce a food product for human consumption (e.g., dairy cattle producing milk)
- domestically raised fur bearing animals and animals that are a source of wool, such as llamas, including those animals used for breeding
- horses used in the commercial breeding and raising of horses for sale

### **Farm Livestock Drug**

"Farm livestock drug" means any substance or preparation used in the diagnosis, cure, mitigation, or treatment or prevention of disease in farm livestock. This includes antibiotics, dewormers, mastitis treatments, medicated shampoos and vaccines in the form of boluses, capsules, feed additives, fluids, pills, powders, ointments and salves. This also includes disinfectants, flea powder and flea sprays, mastitis indicators, teat dips, udder wash, and vitamins. "Farm livestock drug" does not include drugs for work stock, horses used in racing, pleasure riding, or show, or small domestic animals, including dogs and cats. It also does not include laboratory equipment used by a veterinarian, non-medicated shampoos, non-medicated pet foods, and non-medicated bandages, or plaster of Paris that is used to set an animal's broken bone.

### **Farm Work Stock**

"Farm work stock" means animals, such as draft horses and mules, which are used exclusively in farming. The term includes horses used exclusively in farming to check on or herd livestock. The term does not include dogs; horses used for racing, pleasure riding or show; or laboratory animals.

### **Farming**

"Farming" means the business of producing food products or other useful crops by tilling and cultivating the soil or by raising cattle, sheep, llamas, poultry, domesticated rabbits or other animals which produce a food product or which are themselves a food product. In addition, consistent with chs. 29 and 94, Wis. Stats., "farming" includes raising earthworms, pheasants, foxes, fitch, nutria, marten, fisher, mink, chinchilla, rabbit, and caracul; beekeeping;

commercial raising of fish for food; commercial breeding and raising of horses and llamas for sale; and raising ginseng, mushrooms, and sod.

"Farming" does not include home gardening and other similar noncommercial activities; breeding or raising dogs, cats, other pets or animals intended for use in laboratories; operating sporting or recreational facilities, such as riding stables or shooting preserves; operating stockyards, slaughterhouses or feed lots; pulpwood and sawmill operations; milling and grinding grain; and preparing sausage, canned goods, jellies, juices or syrup.

### **Veterinarian**

"Veterinarian," means a person who is licensed to practice veterinary medicine in Wisconsin.

### **Veterinary Services**

"Veterinary services," are those services which may only be performed by a veterinarian.

**Note:** Any medical acts delegated to a veterinary student, certified animal technician, or other person under the direct supervision of a veterinarian, as provided in the Wisconsin administrative rules for veterinarians, are "veterinary services" as that term is used in this publication.)

Examples of these services are vaccinations, x-rays, surgical procedures, and administering drugs.

Services which may be performed by persons other than veterinarians, such as boarding, grooming, clipping pets, artificial insemination of farm livestock, and euthanasia, even though performed by a veterinarian, are not "veterinary services."

## **3. WHICH SALES ARE SUBJECT TO SALES AND USE TAXES?**

Sales, licenses, leases, and rentals of tangible personal property, certain coins and stamps, certain leased property that is affixed to realty, certain digital goods, and certain services are subject to the 5% Wisconsin state sales tax.

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

## **4. SALES BY VETERINARIANS**

### **A. Taxable Sales by Veterinarians**

The sale, license, lease, or rental in Wisconsin of taxable products, other than drugs and **certain** services performed by veterinarians, are subject to Wisconsin sales and use tax, unless these sales qualify as occasional sales or some other exemption applies. See Part 5 "Occasional Sale Exemption," for additional information.

**Note:** Veterinarians are deemed the consumers of (a) products **used** by them in the performance of their veterinary services related to domestic animals, (b) products **furnished** to their customers in the performance of veterinary services related to domestic animals, and (c) any drugs for animals, including drugs sold over the counter, except for drugs used on farm livestock or work stock used exclusively in farming. Therefore, there is **no** sales tax on veterinarians' charges for drugs sold to customers or veterinarians' charges for products used or furnished by veterinarians in the performance of their veterinary services related to domestic animals.

The sale of taxable products, by a veterinarian to a customer in the performance of a taxable **non-veterinary service**, such as grooming a dog, is subject to Wisconsin sales tax if the property is physically transferred to the customer.

*Example:* Veterinarian is hired by Customer to board Customer's dog. Veterinarian purchases dog food that is not a drug and raw hide bones which are provided to the dog while it is being boarded. Veterinarian's charges to Customer for the boarding, dog food that is not a drug, and raw hide bones are subject to Wisconsin sales tax. Veterinarian may purchase the dog food and raw hide bones without tax, for resale.

**Examples of taxable sales:** The following are examples of sales of tangible personal property and services provided by veterinarians which are subject to Wisconsin sales and use tax, unless some exemption applies as explained in Part 4.B. (this list of taxable sales is not all-inclusive):

- **Boarding:** Boarding of dogs, cats, or other animals, unless provided in conjunction with exempt veterinary services.

*Example 1:* Customer is going on vacation and takes her dog to Veterinarian, who provides boarding services. Veterinarian charges Customer \$100 to board the dog for 5 days. The \$100 boarding fee is subject to Wisconsin sales tax.

*Example 2:* Customer's cat needs to have surgery. Because of the surgery, Customer's cat spends 4 days and nights at Veterinarian's clinic. Veterinarian charges Customer \$250 for the surgery and \$75 for boarding. Although boarding is generally a taxable service, boarding provided in conjunction with veterinary services, such as surgery, is not subject to Wisconsin sales or use tax.

- **Breeding:** Breeding or artificial insemination of dogs, cats, and other animals, unless for the treatment of disease.
- **Clipping:** Clipping dogs, cats, and other animals, unless for the treatment of disease.
- **Cremation Services:** Cremation services when the animal remains returned to the customer.
- **Dietary Supplements:** Dietary supplements labeled for use by humans, regardless of whether sold for human or animal use.
- **Euthanasia Services:** Euthanasia services with the animal remains returned to the customer.
- **Freight, Delivery, and Shipping:** A veterinarian's charge for freight, delivery, and shipping to the customer for the sale of taxable products or services is subject to Wisconsin sales tax.

**Note:** Charges for freight, delivery, and shipping of nontaxable products and services are not taxable.

*Example:* Veterinarian sells pet supplies for \$75 plus \$5 for shipping. The total sales price subject to tax is \$80.

- **Grooming:** Grooming dogs, cats, and other animals.

*Example:* Veterinarian grooms Customer's dog for \$25. This service is subject to Wisconsin sales tax.

- **Microchipping Services:** Microchipping services if it is not necessary for the veterinarian to administer anesthesia to the animal in order to install the microchip. A veterinarian may purchase a microchip to be installed in an animal without the use of anesthesia without tax for resale.

- **Parking:** Providing parking space for motor vehicles.

*Example:* Veterinarian owns a parking lot and charges persons for parking in the lot. This charge is subject to Wisconsin sales tax.

- **Pets:** Dogs, cats, or other animals.

*Example:* Veterinarian sells dogs. Customer purchases a dog from Veterinarian for \$100. The \$100 charge by Veterinarian to Customer is subject to Wisconsin sales tax.

- **Pet Equipment:** Videos, books, training materials, dishes, and other pet equipment.

*Example:* Veterinarian sells a leash to Customer for \$5. This sale is subject to Wisconsin sales tax.

- **Pet Food:** Food for dogs, cats, or other pets, if the food is not a drug.
- **Pet Supplies, Except Drugs:** Collars, leashes, shampoo and other pet supplies, unless they are drugs.

*Example 1:* Veterinarian sells a bottle of regular shampoo to Customer for \$7. The shampoo does not contain a drug and is used strictly for cleansing purposes. The sale of the shampoo is subject to Wisconsin sales tax.

*Example 2:* Veterinarian sells a flea shampoo to Customer for \$15. This sale is not subject to Wisconsin sales tax because the shampoo is a drug designed to prevent or eliminate fleas.

- **Photocopies:** Photocopies of animal records, if not sold as part of veterinary services.
- **Pill Pockets:** Pill pockets for dogs, cats, or other pets if the pill pocket is not a drug.
- **Rentals:** Rental of equipment to others.
- **Semen:** Semen used for the artificial insemination of dogs, cats, or other pets.
- **Tattooing Services:** Tattooing services, if they are not necessary for the veterinarian to administer anesthesia to the animal in order to tattoo the animal. A veterinarian may purchase the tattoo ink to be used in tattooing an animal without the use of anesthesia without tax for resale.
- **Trip Charges:** If the veterinarian charges a trip or similar charge to travel and perform a taxable service, the trip or similar charge is also subject to Wisconsin sales tax.
- **Vending Machine Sales:** Tangible personal property (e.g. soft drinks, candy) sold through vending machines when the veterinarian is the "operator."

The veterinarian is considered to be the "operator" of the vending machine if the veterinarian owns the property sold through the machine, has the right to access the machine for stocking, restocking, or removing the gross receipts, or who, in general, has control over the machine and its contents.

**Caution:** Taxable services, such as those identified above, are exempt from Wisconsin sales and use tax if at the time the service is performed on the animal, a sale in Wisconsin of the animal to that customer would be exempt from Wisconsin sales and use taxes. See Part 4.B. for additional information.

## B. Exempt Sales by Veterinarians

Sales of veterinary services and certain tangible personal property by veterinarians are exempt from Wisconsin sales and use tax. Examples of sales by veterinarians which are exempt from Wisconsin sales and use tax include the following (this list is not all-inclusive):

- **Cremation Services:** Cremation services when the veterinarian disposes of the animal remains.
- **Custom Farming Services:** Services performed by a veterinarian to farm livestock or farm work stock used exclusively in the business of farming are custom farming services, regardless of such services being "veterinarian services" as defined in this publication. A veterinarian's charges for the performance of a custom farming service are not subject to tax.

Examples of services to farm livestock used exclusively in the business of farming that are custom farming services include performing artificial insemination on dairy cattle, vaccinating animals, diagnosing disease, and treating injuries.

- **Drugs:** Sales of drugs by a veterinarian. The veterinarian is deemed the consumer of any drugs it purchases for animals.

**Note:** The veterinarian is required to pay Wisconsin sales or use tax on his or her purchases of drugs, except drugs used on farm livestock or work stock which are used exclusively in farming.



"Drug" includes pet foods containing one or more drugs and also includes pet foods that are specifically formulated for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals.

*Example 1:* Veterinarian examines Customer's cat. Veterinarian prescribes a drug to treat the cat for its illness. The sale of the drug by Veterinarian to Customer is not subject to Wisconsin sales tax. Veterinarian is required to pay Wisconsin sales or use tax on his purchase of the drug used to treat the cat.

*Example 2:* Customer walks into Veterinarian's clinic and purchases for \$6, a collar containing a substance designed to prevent ticks and fleas. This sale is not subject to Wisconsin sales or use tax. Collars which contain a substance that prevents ticks and fleas are considered to be drugs and are not subject to Wisconsin sales or use tax. Veterinarian is required to pay Wisconsin sales or use tax on her purchase of the flea collar sold to Customer.

**Note:** A "dietary supplement" is defined as a product for use by humans. The sale of a "dietary supplement" labeled for use by humans is subject to sales tax. However, the same substance labeled for use by an animal is a drug, and a veterinarian's sale is not subject to tax. The veterinarian's purchase is subject to sales or use tax.

- **Euthanasia Services:** Euthanasia services when the veterinarian disposes of the animal remains.
- **Microchipping Services:** Microchipping services when the veterinarian must administer anesthesia to the animal prior to installing the microchip. A veterinarian's purchase of a microchip to be installed in animal with the use of anesthesia is taxable.
- **Occasional Sales:** Occasional sales of taxable products and services are exempt if the sales meet the requirements for "occasional sales" as explained in Part 5.
- **Sales to Farmers:** Tangible personal property and services (e.g., milking machine supplies, artificial insemination services, and drugs for farm livestock or work stock) used exclusively and directly or consumed in the business of farming if the farmer provides the veterinarian a fully completed sales and use tax exemption certificate ([Form S-211](#), [Form S-211-SST](#), or [S-211E](#)).
- **Sales to Other Persons Who Provide Valid Exemption Certificates:** A veterinarian is not liable for Wisconsin sales or use tax on sales of taxable products and services; if purchaser provides the veterinarian a fully completed sales and use tax exemption certificate ([Form S-211](#), [Form S-211-SST](#), or [S-211E](#)).
- **Services Performed on Exempt Animals:** Services performed on or provided for exempt animals. If a veterinarian performs a normally taxable service on an "exempt animal," the charge by the veterinarian is not subject to Wisconsin sales and use tax. An "exempt animal" is an animal which the veterinarian's customer could purchase and take possession of without paying Wisconsin sales and use tax at the time the veterinarian's service is performed, by claiming a valid exemption from Wisconsin sales and use tax.

*Example:* Veterinarian performs an artificial insemination service on Customer's farm livestock used exclusively in farming. Since a sale to Customer of farm livestock used exclusively in farming at the time the service is performed would be exempt from Wisconsin sales tax, the sale of the service performed on the exempt farm livestock is also exempt from Wisconsin sales tax.

- **Tangible Personal Property Used by Veterinarians or Furnished to Customers in Performance of Services:** A veterinarian must pay tax on its purchase of any tangible personal property the veterinarian uses or furnishes to the customer in the performance of veterinary services, even if the veterinarian separately states charges for products. A veterinarian is required to pay Wisconsin sales or use tax on its purchases of tangible personal property used by the veterinarian or furnished to customers in the performance of services.

*Example:* Customer brings a dog which had cut its leg to Veterinarian. Veterinarian determines that the cut needs to be stitched and covered with a bandage. Veterinarian stitches and bandages the dog's leg. The charge to Customer by Veterinarian for the stitches and bandages is not a sale of tangible personal property

subject to Wisconsin sales tax. Veterinarian used the stitches and bandages in the performance of his services and is required to pay Wisconsin sales or use tax on his purchase price of the stitches and bandages.

A veterinarian's charge for veterinary services is not taxable, including any charge for products furnished in providing the veterinary service.

- **Tattooing Services:** Tattooing services when the veterinarian must administer anesthesia to the animal prior to tattooing. A veterinarian's purchase of tattoo ink to be used in tattooing an animal with the use of anesthesia is taxable.
- **Veterinary Services:** Veterinary services, as defined in Part 2 of this publication. This includes services performed on an animal in the diagnosis, cure, mitigation, treatment, or prevention of disease.

Examples of veterinary services are physical examinations, vaccinations, injections, cast application and removal, surgery, laboratory testing, and prescribing drugs.

Exempt veterinary services include charges for boarding, food, and grooming provided in conjunction with veterinary services.

*Example:* Veterinarian is going to neuter Customer's dog. Once the neutering is complete, Customer's dog is kept at Veterinarian's clinic for 2 additional days so that Veterinarian can observe the healing progress of the dog. Veterinarian charges Customer for boarding and food while the dog stays at Veterinarian's clinic.

The charge for the neutering is a veterinary service which is not subject to Wisconsin sales or use tax. The veterinarian's charges for the food and boarding are **not** subject to Wisconsin sales tax because these items are being provided in conjunction with the performance of veterinary services. The veterinarian is required to pay Wisconsin sales or use tax on its purchases of this food.

## 5. OCCASIONAL SALE EXEMPTION

A veterinarian's sales of taxable products and services are generally subject to sales tax. However, "occasional sales" of taxable products or services are exempt from Wisconsin sales and use taxes. A veterinarian is not liable for Wisconsin sales tax on the veterinarian's occasional sales. However, a veterinarian is liable for Wisconsin sales or use tax on its purchase price of taxable products or services the veterinarian purchases and subsequently sells in a sale qualifying as an occasional sale.

A veterinarian's sale of taxable products and services are exempt occasional sales if **all** of the following conditions are met:

- (1) The veterinarian does not hold and is not required to hold a Wisconsin seller's permit, **AND**
- (2) The veterinarian meets one of the following two conditions:
  - (a) Its "taxable sales" of products and services are less than \$2,000 during the calendar year.

**Note:** Prior to January 1, 2018, the "taxable sales" threshold was \$1,000 during a calendar year.

"Taxable sales" means total sales (line 1 of Wisconsin Sales and Use Tax Return, [Form ST-12](#)), less allowable deductions. Allowable deductions include amounts properly deductible on lines 2 through 4 of the [Form ST-12](#). Allowable deductions do not include the deduction for "tax paid purchases resold," which is claimed on line 4 of [Form ST-12](#).

*Example:* Veterinarian does not hold a Wisconsin seller's permit. Veterinarian sells 150 collars and leashes during the year totaling \$2,200 in sales. Valid, fully completed exemption certificates were provided to the veterinarian for \$300 of these sales. Veterinarian did not sell any other taxable property or services during the year.

Veterinarian's sales of leashes and collars qualify for the occasional sale exemption because Veterinarian's "taxable sales" were less than \$2,000 (i.e., \$2,200 - \$300 = \$1,900).

**Note:** Since Veterinarian's sales of leashes and collars qualify for the occasional sale exemption, Veterinarian is required to pay Wisconsin sales or use tax on her purchase price of the leashes and collars she sells.

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

**Note:** Prior to January 1, 2018, the "taxable sales" threshold was \$1,000 during a calendar year.

*Example:* Veterinarian does not hold a seller's permit. Veterinarian sells one piece of used equipment for \$10,000. Veterinarian makes no other sales of taxable property or services during the calendar year.

Although Veterinarian's "taxable sales" are \$2,000 or more, its sale is still exempt from Wisconsin sales and use tax because (a) the sale occurred on an isolated and sporadic basis (e.g., only one taxable sale in the year) and (b) the facts and circumstances support the inference that Veterinarian is not pursuing a business or part-time business as a vendor of personal property, or taxable services (e.g., Veterinarian makes no other sales of tangible personal property or taxable services).

**Note:** If a veterinarian has a question as to whether its sales qualify for the occasional sale exemption, he or she should write to the Wisconsin Department of Revenue, P.O. Box 8949, Madison, WI 53708-8949.

## 6. PURCHASES BY VETERINARIANS

### IMPORTANT NOTE

All drugs for animals purchased by a veterinarian are subject to Wisconsin sales and use tax. This includes purchases of drugs for animals by a veterinarian who will sell the drugs without performing any veterinarian services (regardless of whether the customer is a pet owner, another veterinarian, or a retailer who will sell the drugs), or who will use the drugs in performing veterinary services. The only exceptions are provided in Part 6.A.(2) and (3), and explained in Part 6.B.

Sales of drugs for animals by veterinarians are not subject to Wisconsin sales or use taxes.

### A. Taxable Purchases by Veterinarians

A veterinarian's purchases of all taxable products and services stored, used, or consumed in Wisconsin are subject to Wisconsin sales or use tax, unless one or more of the following apply:

- The taxable product or service will be resold by the veterinarian.

**Note:** Veterinarians are not considered to be reselling: (a) taxable products used by them in the performance of veterinary services, (b) taxable products furnished to customers in the performance of veterinary services, or (c) any drugs for animals.

- The item being purchased is a drug which will be used on farm livestock used exclusively in farming.
- The item being purchased is a drug which will be used on farm work stock used exclusively in farming.
- The item is an animal I.D. tag purchased from the Wisconsin Department of Agriculture, Trade, and Consumer Protection.
- An exemption is specifically provided in the Wisconsin Statutes for the taxable product or service purchased (e.g., water delivered to veterinarians through mains).

The chart below includes examples of items subject to Wisconsin sales and use tax when purchased by veterinarians. If the supplier does not charge Wisconsin sales or use tax to the veterinarian, the veterinarian is required to pay use tax to the Wisconsin Department of Revenue. The use tax is based on the veterinarian's purchase price of the items.

**Examples of Taxable Purchases by Veterinarians** (This list is not all-inclusive.)

Medical Equipment (1)	Medical Supplies (2)	Office Equipment and Supplies (3)	Boarding Supplies and Equipment	Miscellaneous
<ul style="list-style-type: none"> <li>• Diagnostic Exam Tables</li> <li>• Feeding Pumps and Tubes</li> <li>• Forceps</li> <li>• IV Pump, Tubing, and Poles</li> <li>• Laboratory Equipment</li> <li>• Microscopes</li> <li>• Monitoring Systems</li> <li>• Operating Equipment</li> <li>• Oxygen Carts</li> <li>• Scales</li> <li>• Surgical Instruments</li> <li>• Testing Equipment</li> <li>• Ultrasound Equipment</li> <li>• Ventilators and Respirators</li> <li>• X-Ray Machines</li> </ul>	<ul style="list-style-type: none"> <li>• Adhesive Remover and Tape</li> <li>• Bandages, Gauze, Cotton, and Dressings</li> <li>• Disposable Equipment</li> <li>• Laboratory Supplies</li> <li>• Gloves</li> <li>• Masks</li> <li>• Drugs, Except Drugs Used on Farm Livestock and Farm Work Stock</li> <li>• Oxygen</li> <li>• Pet Food (That is a drug) (4)</li> <li>• Splints and Cast Materials</li> <li>• Surgical Supplies (5)</li> <li>• Syringes and Needles</li> <li>• Temperature Blankets</li> <li>• Vaccine Tags (6)</li> <li>• X-Ray Film</li> </ul>	<ul style="list-style-type: none"> <li>• Advertising Brochures and Literature Used In Wisconsin</li> <li>• Animal I.D. Tags (6)</li> <li>• Computer Equipment</li> <li>• Computer Supplies</li> <li>• Copy Machines and Supplies</li> <li>• Desks</li> <li>• Envelopes</li> <li>• FAX Machines and Supplies</li> <li>• File Folders</li> <li>• Paper</li> <li>• Pens and Pencils</li> <li>• Printed Materials - Posters, Books, Etc.</li> <li>• Stationery</li> <li>• Time Clocks and Time Cards</li> <li>• Uniforms</li> </ul>	<ul style="list-style-type: none"> <li>• Bathtubs</li> <li>• Cages</li> <li>• Fitness and Exercise Equipment</li> <li>• Grooming Supplies (7)</li> <li>• Pet Food (that is not a drug) (7)</li> <li>• Soap and Cleaners</li> </ul>	<ul style="list-style-type: none"> <li>• Cleaning Supplies</li> <li>• Disinfectants</li> <li>• Equipment Repair</li> <li>• Landscaping and Lawn Maintenance</li> </ul>

**Notes:**

- (1) Medical equipment used exclusively and directly in the business of performing custom farming services or which is consumed or loses its identity in the business of performing custom farming services may be purchased without tax. See Part 6.B. for additional information.
- (2) Medical supplies, including drugs, a veterinarian uses or furnishes in performing custom farming services may be purchased without tax.
- (3) Office equipment and supplies used exclusively and directly in the business of performing custom farming services, or which are consumed or lose their identity in the business of performing custom farming services may be purchased without tax. Typically, office equipment or supplies are not used directly in performing custom farming services and are exempt only if they are consumed or lose their identities in performing custom farming services. See Part 6.B. for additional information.
- (4) "Drug" includes pet foods containing one or more drugs and also includes pet foods that are specifically formulated for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals. A veterinarian's purchases of such pet foods are taxable.
- (5) Surgical supplies do not include sutures. A suture is a "drug."
- (6) Purchases of these items from the Wisconsin Department of Agriculture, Trade, and Consumer Protection are exempt. However, purchases of these items from suppliers other than the Wisconsin Department of Agriculture, Trade, and Consumer Protection are taxable.
- (7) If these items are transferred to the customer in conjunction with the performance of a veterinary service, the items are taxable when purchased by the veterinarian.

If the items are sold to customers or provided with boarding, but not in conjunction with a veterinary service, the item may be purchased by the veterinarian without tax for resale.

## B. Exempt Purchases by Veterinarians

Examples of taxable products, which veterinarians may purchase without paying Wisconsin sales or use tax include (this list is not all-inclusive):

- **Certain Animal Identification Tags:** Animal identification tags purchased from the Wisconsin Department of Agriculture, Trade, and Consumer Protection are exempt from Wisconsin sales and use tax.
- **Property Used in Performing Custom Farming Services.** A veterinarian performing custom farming services may qualify to purchase certain property used in performing custom farming services without tax. Examples of property that may qualify for exemption include diagnostic machinery (e.g., a portable ultrasound imaging device) used exclusively and directly in performing custom farming services and supplies (e.g., latex gloves) that are consumed or lose their identity in (i.e., devoted 100% to) performing custom farming services.

Veterinarians perform custom farming services when (1) the veterinarian's activity is "farming" as defined in this publication, (2) the services are performed for a farmer (a person engaged in the business of farming), and (3) the services are performed for a fee.

Services that a veterinarian performs to an animal will be an activity defined as farming in this publication when the services are performed to or for:

- animals being raised commercially as a food product for human consumption (e.g., beef cattle, poultry)
- animals being raised to produce a food product for human consumption (e.g., dairy cattle producing milk)
- domestically raised fur bearing animals and animals that are a source of wool, such as llamas, including those animals used for breeding
- horses used in the commercial breeding and raising of horses for sale
- animals that are farm work stock

For example, the commercial raising of dairy cattle to produce meat and/or milk for human consumption is defined as "farming." A person providing veterinary or other services to dairy cattle used exclusively in the commercial raising of dairy cattle to produce meat and/or milk for human consumption for a fee is performing a "custom farming service" because the three requirements necessary to perform custom farming services are met: (1) the services performed by the veterinarian constitute an activity defined as farming, as the veterinarian's services are performed to or for animals used exclusively in the commercial raising of the animal to produce meat and/or milk for human consumption, (2) the services are performed for a farmer (a person engaged in the business of farming), and (3) the services are performed for a fee.

For detailed information, refer to [Publication 221, Farm Suppliers and Farmers](#).

- **Drugs Used on Farm Livestock:** Purchases of drugs used on farm livestock which are used exclusively in farming, but not including farm workstock (e.g., draft horses) are exempt from Wisconsin sales and use tax. The veterinarian should provide the supplier of these drugs with a fully completed exemption certificate ([Form S-211](#), [Form S-211-SST](#), or [S-211E](#)), to purchase these drugs without tax.
- **Drugs Used on Farm Work Stock:** A drug for animals purchased by a veterinarian and used on farm work stock used exclusively in the business of farming is exempt from Wisconsin sales and use taxes. The exemption applies (1) if the veterinarian uses or furnishes the drug in performing services on work stock used exclusively in the business of farming, or (2) the veterinarian sells the drug to a farmer who will use such drug on work stock used exclusively in the business of farming. The veterinarian should furnish the supplier of the drug a fully completed exemption certificate ([Form S-211](#), [Form S-211-SST](#), or [S-211E](#)), to purchase these drugs without tax.
- **Products Resold:** Purchases of taxable products which the veterinarian will resell to others may be purchased without tax for resale. However, this does not include taxable products used or furnished by

veterinarians to customers in conjunction with the performance of the veterinary services. Examples of items which veterinarians resell include feeding dishes, leashes and non-medicated collars, pet food that is not a drug, and shampoo. The veterinarian should provide the supplier of these items with a fully completed exemption certificate ([Form S-211](#), [Form S-211-SST](#), or [S-211E](#)).

*Example 1:* Veterinarian purchases 100 leashes. The veterinarian sells the leashes to customers. The leashes are not being sold in conjunction with the veterinary services performed by Veterinarian. The Veterinarian may purchase the leashes without tax for resale by providing the supplier of the leashes with a fully completed exemption certificate ([Form S-211](#), [Form S-211-SST](#), or [S-211E](#)).

*Example 2:* Veterinarian purchases 50 bags of dog food that is not a drug. Twenty of the bags are used to feed dogs while they are at the veterinary clinic receiving veterinary services. The remaining 30 bags are sold to customers not in conjunction with veterinary services performed by Veterinarian. Veterinarian is required to pay Wisconsin sales or use tax on the 20 bags purchased and provided to dogs while the dogs are receiving veterinary services. The remaining 30 bags may be purchased without tax for resale. Veterinarian should provide the supplier with a fully completed exemption certificate ([Form S-211](#), [Form S-211-SST](#), or [S-211E](#)), for those 30 bags which will be resold. Veterinarian's sale of these 30 bags of dog food is taxable.

**Note:** Veterinarians may not purchase products without tax for resale if the veterinarian's sales are exempt occasional sales. See Part 5 for additional information.

## 7. ADMINISTRATIVE PROVISIONS

### A. Resale and Exemption Certificates

Generally, if a veterinarian knows, at the time of purchase, the taxable product or service purchased will not be resold by the veterinarian or used in a manner or for a purpose that qualifies the product for exemption from Wisconsin sales and use taxes, the veterinarian may not provide the seller with a resale certificate or exemption certificate.

In some cases, a veterinarian purchasing taxable products or services may not know at the time of purchase whether the product or service purchased will be resold by the veterinarian or used in a taxable manner or for a purpose that qualifies the veterinarian's purchase of the products or service for exemption from Wisconsin sales or use taxes. In such cases, the veterinarian has two options.

**Option 1.** The veterinarian may purchase the product or service and pay Wisconsin sales or use tax to the seller. If the veterinarian subsequently resells the product or service or uses the product in a manner or for a purpose that qualifies the veterinarian's purchase of the product or service as exempt from Wisconsin sales or use taxes, the veterinarian may do one of the following, as appropriate for the situation:

- If the product or service is resold by the veterinarian in a transaction in which the veterinarian is liable for Wisconsin sales taxes on such sale (e.g., the sale of a non-medicated pet food), the veterinarian may claim a deduction on Line 4 of [Form ST-12](#) in the amount of the purchase price the veterinarian paid its seller for that product or service sold.
- If the product or service is resold by the veterinarian in a transaction in which the veterinarian is not liable for Wisconsin sales taxes on such sale (e.g., the sale of a non-medicated pet food to an exempt entity) the veterinarian must obtain a refund of the tax paid in error from the seller or by filing a buyer's claim for refund (Forms [S-220](#) and [S-220a](#)) with the department.

**Note:** If the product or service is resold by the veterinarian in a transaction in which the veterinarian is not liable for Wisconsin sales tax because the sale is an occasional sale as described in Part 5, the veterinarian must pay Wisconsin sales or use tax on the on the veterinarian's purchase of the product or service.

- If the product or service is used by the veterinarian in a manner or for a purpose that qualifies the veterinarian's purchase as exempt from Wisconsin sales and use taxes (e.g., the veterinarian uses a drug on farm livestock in conjunction with performing a veterinary service for a farmer), the veterinarian must obtain a refund of the tax paid in error from the seller or by filing a buyer's claim for refund ([Forms S-220 and S-220a](#)) with the department.

**Note:** Form S-220a is not required when the claim for refund is filed electronically using [My Tax Account](#).

**Option 2.** If the veterinarian holds a Wisconsin seller's permit, the veterinarian may purchase taxable products and services without tax by claiming resale. If the product or service is resold, the veterinarian owes sales tax on its sale, unless an exemption applies. If the product service is used by the veterinarian in a taxable manner, the veterinarian is responsible for remitting Wisconsin state and local use taxes directly to the department.

If the veterinarian does not hold a Wisconsin seller's permit, the veterinarian cannot purchase taxable products or services without tax for resale. In this case, refer to the "Note" to the second bullet in Option 1.

Regardless of whether the veterinarian holds a Wisconsin seller's permit, the veterinarian may purchase taxable products without tax claiming an exemption (e.g., the property is a drug that the veterinarian will use or furnish in performing a service to livestock used exclusively in the business of farming.) If the product or service is actually used in a taxable manner, the veterinarian accrues a Wisconsin use tax liability as of the date of the taxable use. The veterinarian is responsible for remitting Wisconsin use tax based on the purchase price of the property or service subject to the use tax.

## B. When and Where a Sale Occurs

### (1) When a Sale Occurs

- A sale involving the transfer of ownership of tangible personal property, certain coins and stamps, or certain leased property affixed to realty, occurs at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent, regardless of when payment is made. For this purpose, a common carrier or the United States Postal Service is an agent of the seller.
- A sale or purchase involving a taxable digital good, occurs when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent or when the digital good is first used, whichever comes first. A sale or purchase of a product transferred electronically, including a digital good, that is sold by "subscription," occurs at the time when the payment for the "subscription" is due to the seller.

"Subscription" means an agreement with a seller that grants the consumer the right to obtain products transferred electronically from within one or more product categories having the same tax treatment, in a fixed quantity or for a fixed period of time, or both.

- A sale of a taxable service is considered to occur when the service is sold, furnished, or performed by the seller.

### (2) Where a Sale Takes Place – "General Sourcing Rules"

In order to determine where a sale takes place for Wisconsin sales and use tax purposes (where a sale is "sourced"), a specific hierarchy is used. The hierarchy is referred to as the "General Sourcing Rules." The "General Sourcing Rules" should be used to determine the location of a sale, with the following exceptions:

- Leases, licenses, and rentals
- Direct mail

- Telecommunications services
- Retail florists

Additional information on when and where a sale takes place is available in [Publication 201](#), *Wisconsin Sales and use Tax Information*, in Part 7.

## 8. DRUGS SOLD WITH SYRINGES

The following examples explain the tax treatment when a veterinarian uses or sells drugs along with syringes and needles (syringes).

### A. Veterinarian Uses Drugs With Syringes

Veterinarian buys syringes and drugs separately or buys syringes pre-filled with a drug for an animal. Veterinarian uses the product in performing veterinarian services.

- Veterinarian's purchase from the supplier: Taxable.
- Veterinarian's charge to customer: Exempt.

### B. Veterinarian Makes Separate Sales of Drugs and Syringes

Veterinarian buys syringes. In a separate purchase, Veterinarian buys drugs for animals. Veterinarian sells drugs and syringes to customers who will administer the drugs themselves. Veterinarian may not offer the customer the option to purchase drugs without syringes or the customer may purchase the drugs from Veterinarian and syringes from another seller. On an invoice Veterinarian may separately state a price for the drug and a price for the syringes.

- Veterinarian's purchases of drugs: Taxable.
- Veterinarian's purchase of syringes sold to customer: Purchase without tax for resale.
- Veterinarian's charge to customer for drugs: Exempt.
- Veterinarian's charge to customer for syringes: Taxable.

### C. Veterinarian Sells Drugs with Syringes to Customers

In the following examples, it is assumed that: (1) the veterinarian sells the drugs and syringes with needles for a single nonitemized price, and (2) both of the following apply:

- (1) The veterinarian's **purchase price** of the drugs included in the veterinarian's sale to the customer is more than 50% of the veterinarian's total **purchase price** of the drugs and the syringes sold to the customer.
- (2) The veterinarian's **sales price** of the drugs included in the veterinarian's sale to the customer is more than 50% of the veterinarian's total **sales price** of the drugs and the syringes sold to the customer.
  - Veterinarian buys syringes pre-filled with a drug for an animal. Veterinarian sells the drug-filled syringes with needles to a customer who will administer the drug themselves.
    - Veterinarian's purchase from the supplier: Taxable.
    - Veterinarian's charge to customer: Exempt.
  - Veterinarian buys syringes. In a separate purchase, Veterinarian buys drugs for animals. Veterinarian either sells the syringes and drugs separately or prefills syringes with the drug and sells the drug-filled syringes to a customer who will administer the drug themselves.



- Veterinarian's purchases of drugs: Taxable.
- Veterinarian's purchase of syringes with needles sold to customer: Purchase without tax for resale.
- Veterinarian's charge to customer for drug-filled syringes with needles: Exempt.

## 9. INTERNET SALES OF DRUGS

Veterinarian's sales and purchases of drugs used on farm livestock or work stock used exclusively in farming are not subject to Wisconsin sales or use tax. The information below does not apply to drugs for these exempt animals.

Animal drug suppliers and veterinarians offer online purchases of drugs and also offer direct shipping of the drugs to the customer (i.e., animal owner). In certain instances, the veterinarian may have to place the order for the customer. The scenarios below illustrate the sales or use tax implications of Internet sales of drugs.

**Scenario 1:** Veterinarian places the drug order for Customer. Supplier direct ships to Customer and Customer submits payment to Supplier.

Veterinarian is not responsible for sales or use tax on the drugs, since Supplier is selling the drugs directly to Customer. If Supplier does not charge tax on its sale of drugs to Customer, Customer is liable for use tax on its purchase of the drugs.

**Scenario 2:** Veterinarian places the drug order for Customer. Supplier direct ships to Customer. Veterinarian submits payment to Supplier. Subsequently, Veterinarian bills Customer and Customer submits payment to Veterinarian.

The sale of the drug is to Veterinarian; therefore, Veterinarian owes sales or use tax on the purchase of the drug. Veterinarian's sale of the drug to Customer is not subject to sales or use tax.

**Scenario 3:** Veterinarian has a supply/inventory of drugs for sale at its Wisconsin location. Customer orders drugs online from Veterinarian. Veterinarian ships the drugs and bills Customer. The sale of the drugs to Veterinarian is subject to Wisconsin sales or use tax. Veterinarian's sale of the drugs to Customer is not subject to Wisconsin sales and use tax.

**Scenario 4:** Veterinary Clinic has an agreement with Supplier whereby Veterinarian receives a percentage of sales when Customers enter the Veterinary Clinic's assigned code for an online order. Supplier ships product directly to Customer, and Customer pays Supplier for product. Veterinary Clinic receives a percentage of the sale.

Sales of the drugs are not made to the Veterinary Clinic. The commission the Veterinary Clinic receives is not subject to Wisconsin sales and use tax. If Supplier does not charge tax on its sale of drugs to Customer, Customer is liable for use tax on its purchase of the drugs.

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

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

**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.