State of Wisconsin

Department of Revenue

Important Changes

- Sheboygan County tax begins January 1, 2017
- Kewaunee County tax begins April 1, 2017
- Brown County football stadium tax ended September 30, 2015

Commercial Radio and Television Stations

How Do Wisconsin Sales and Use Taxes Affect Your Operations?

Publication 247 (N.12/14)

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I. INTRODUCTION

A. General

This publication explains how Wisconsin sales and use taxes affect persons operating commercial radio and television stations in Wisconsin. The publication includes examples of taxable and nontaxable sales and purchases. It also provides information about exemptions that apply.

The information in this publication relates to the state's 5% sales and use tax. Certain sales and purchases by commercial radio and television stations that are subject to the 5% state sales or use tax may also be subject to the: (a) 0.5% county sales or use tax, (b) 0.1% baseball stadium sales or use tax, (c) 0.5% football stadium sales or use tax, (d) local exposition taxes, and (e) 0.5% (1.25% for the City of Wisconsin Dells and the Village of Lake Delton) premier resort area tax.

Additional information about these taxes is contained in the following:

(1) County tax: Publication 201, *Wisconsin Sales and Use Tax Information*.

(2) Baseball and football stadium tax: Publication 201, *Wisconsin Sales and Use Tax Information*. Applies to sales and purchases made in Brown, Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties.

(3) Local exposition taxes: Publication 410, *Local Exposition Taxes*. Applies to sales of certain lodging, food and beverages, and car rentals in municipalities wholly or partially within Milwaukee County.

(4) Premier resort area tax: Publication 403, *Premier Resort Area Tax*. Applies to sales by certain types of retailers of any of the products described in Part III. in the premier resort areas.

Publications 201, 410, and 403 are available on the department's website.

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, 2014. Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this publication. Also note that lists of taxable or exempt items in this publication are not all-inclusive. They merely set forth common examples.

II. NATURE OF SALES AND USE TAX

A. Who is Subject to Sales Tax?

Persons making retail sales of taxable products or services in Wisconsin are required to remit Wisconsin sales tax on these sales, unless an exemption applies. A seller making taxable sales may collect the tax from the consumer or user (i.e., the purchaser).

Department stores and restaurants are examples of retailers that sell taxable products and services. However, a commercial radio or television station may also make sales of taxable products or services.

B. What is Taxable?

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

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

C. What is Use Tax?

Use tax is imposed upon the storage, use, or other consumption in Wisconsin of taxable products and services for which Wisconsin sales tax was not paid, unless an exemption applies. Use tax is also imposed upon a purchaser when products are purchased for an exempt purpose or without tax from an out-of-state company (e.g., online purchases where the seller did not charge Wisconsin sales tax) and are used in Wisconsin by the purchaser in a taxable manner. Therefore, a commercial radio and television station may be subject to use tax on its purchases if the seller did not charge Wisconsin sales tax.

The use tax rate is the same as the sales tax rate and is based on the purchase price of the product. Part IV. provides examples of purchases by a commercial radio and television station that may be subject to Wisconsin use tax.

D. Seller's Permit

A seller’s permit shows that a person is properly registered with the Department of Revenue to make taxable sales. A retailer making sales of taxable products or services at retail in Wisconsin must register with the department.

See Part III. of Publication 201, *Wisconsin 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 Publication 201, Part VIII.

III. COMMERCIAL RADIO AND TELEVISION STATION'S SALES

Some sales by a commercial radio or television station may be subject to Wisconsin sales tax, while other sales may be exempt from tax. The tax treatment of some common sales by commercial radio and television stations is described, below.

A. Sales of Advertising Air Time

The sale of advertising space and time is not subject to tax.

> ***Example:*** Customer purchases 20 spots of 30-second advertising time from Radio Station. Customer provides Radio Station with a tape containing a dub of the commercial to be aired. Radio Station's charge to Customer for placing Customer's ad on the air is not taxable.

A radio or television station may barter with a customer by agreeing to air the customer's commercial in exchange for property or services offered by the customer. A barter transaction is treated as a sale. While the radio or television station's sale of the advertising is not taxable, the property or service received may be subject to tax. See Part III.E. for additional information about barters and exchanges.

B. Advertising Time Exchanged for Products and Services

A radio or television station may trade its advertising time for the products or services of another business (e.g., advertising time for merchandise). Sales or use tax may apply to such trades.

If the radio or television station receives a taxable product or service in exchange for the advertising time, sales or use tax applies based on the value of the advertising time.

> ***Example:*** Television Station exchanges television advertising, which has an established sales price of $500, for meals at Restaurant that have a retail price of $500. Television Station will give the meals away as prizes to its viewers.
>
> Restaurant's sales of the meals to Television Station are subject to sales tax. If Restaurant does not charge Television Station tax on its sales of the meals, Television Station is liable for use tax on its purchase of the meals. The use tax must be reported on Television Station's sales and use tax return.
>
> **Note:** If Television Station sells the meals, rather than giving the meals away, Television Station may provide Restaurant with an exemption certificate claiming resale.

Additional information is provided in the tax release titled "Trade-ins," which was published in *Wisconsin Tax Bulletin* #124 (April 2001), beginning on page 30.

C. Sales of Access to News Websites

A radio or television station may have a website that provides news and other information products to persons viewing the website. If the radio or television station charges the viewer for access to such a website, the charge is taxable as the sale of an additional digital good. Additional information about digital goods can be found in Publication 240, *Digital Goods*.

D. Sales of Program Material

The sale of copies of program material is subject to tax, unless an exemption applies.

An exemption applies for motion picture film or tape, and motion pictures or radio or television programs for listening, viewing, or broadcast, and advertising materials related thereto, sold to a motion picture theater or radio or television station.

> ***Example 1:*** Television Station A sells a copy of program material to Television Station B on a video tape. Television Station B will view or broadcast the program material. Television Station A's sale of the video tape to Television Station B qualifies for exemption.
>
> ***Example 2:*** Television Station sells a copy of program material to Company on a video tape. Company is not a motion picture theater or radio or television station. Company will use the program material as a training video for its employees. Television Station's sale of the video tape to Company is subject to sales tax.

E. Leasing Tower Space on a Communications Tower

If a radio or television station leases space on a communications tower to another party, the amount that the radio or television station receives may or may not be subject to Wisconsin sales and or tax.

- If the radio or television station owns both the tower and the land on which the tower is located, the radio or television station's charge to the lessee for space on the tower is not taxable. The radio or television station is leasing real property to the lessee.
- If the radio or television station owns the tower, but not the land on which the tower is located (e.g., the tower is located on leased land), the radio or television station's charge to the lessee for tower space is taxable. The radio or television station is leasing tangible personal property to the lessee.

F. Radio and Television Auctions

When a radio or television station holds an auction, the radio or television station is the retailer of the merchandise that it auctions to the highest bidder. The radio or television station is liable for Wisconsin sales tax on its sales of taxable products and taxable services. When purchasing items for auction, the radio or television station should provide the merchant with a fully completed exemption certificate (Form S-211) claiming resale.

The amount subject to Wisconsin sales or use tax is the amount of consideration that the radio or television station received for the merchandise.

> ***Example:*** Radio Station receives a grill to auction from Merchant, who receives advertising time valued at the grill's retail value of $100. Radio Station auctions off the grill to the winning bidder for $50. Radio Station sold advertising time to Merchant for $100 (nontaxable transaction because the sale of advertising space is not subject to tax), while Merchant sold Radio Station a grill for $100 (i.e., the consideration, or value of the advertising time, received). Radio Station may purchase the grill without tax by providing Merchant with a fully completed exemption certificate claiming resale. If the winning bid is $50, Radio Station is liable for Wisconsin sales tax on the $50 sales price of the grill to the winning bidder.

Sales of Gift Certificates and Product Vouchers

The sales price from the sale of a gift certificate is not taxable because the certificate represents an intangible right. When a gift certificate is redeemed for taxable products, the transaction is completed and the retailer's tax liability accrues at that time.

> ***Example:*** Television Station offers a gift certificate in its auction that is valued at $50. The gift certificate can be used to purchase any items that a specific retailer sells. Television Station sells the gift certificate to the highest bidder. The sale of the gift certificate is not subject to Wisconsin sales tax. When the holder of the gift certificate redeems the gift certificate for $50 of taxable products, the retailer's $50 sale of the products is subject to tax. **Exception:** If the gift certificate was sold for less than its value (e.g., $50 gift certificate sold for $30), and the retailer who accepts the gift certificate can document the discounted amount that the gift certificate was sold for, the taxable sales price is the discounted amount. For example, if Television Station indicates on the $50 gift certificate that the highest bidder paid $30 for the gift certificate, the retailer who accepts the gift certificate in exchange for taxable products or services has taxable receipts of $30.

The sale of a product voucher that entitles the holder of the voucher to redeem the voucher for a specific product follows the tax treatment of the product for which the voucher can be redeemed.

> ***Example 1:*** Radio Station offers a product voucher in its auction that can be redeemed for two nights of lodging at Hotel in Wisconsin. The voucher can only be used for lodging and does not have any cash value. Radio Station sells the product voucher to the highest bidder for $150. The sale of the product voucher by Radio Station is subject to Wisconsin sales tax, since the lodging is subject to tax.

Example 2: Television Station offers a product voucher in its auction that can be redeemed for 10 pounds of fresh fruit. The sale of the voucher is not subject to Wisconsin sales tax, since the sale of fresh fruit is not subject to tax.

Additional information about auction sales, including online auctions, is available in Publication 217, *Auctioneers - How Do Wisconsin Sales and Use Taxes Affect Your Operations?*

G. Vending Machine Sales

Sales of certain products through vending machines are subject to Wisconsin sales tax. If a radio or television station controls or is the operator of the machine, the station's receipts from the vending machine sales of taxable products are subject to tax.

A radio or television station is considered to have control over or is the operator of the vending machine if: (1) the station has the right to access the machine for stocking, restocking, or removing the receipts from the machine, or (2) the station owns the products sold through the vending machine.

1. Taxable Vending Machine Sales

Sales of food, food ingredients, and beverages from vending machines are subject to Wisconsin sales tax if the item being sold meets the definition of "candy," "dietary supplement," "soft drink," or "prepared food," as defined in Publication 220. In addition to the taxable food, food ingredients, and beverages sold in vending machines, other tangible personal property, such as over-the-counter drugs, are also subject to tax.

Note: The sales tax may be included in the price of taxable products sold in vending machines by conspicuously posting a notice indicating its prices include Wisconsin sales tax. Vending machine operators that post this notice may calculate the taxable selling price by dividing their total receipts from sales of taxable products by 1 plus the tax rate, and remit sales tax on that amount.

Example: Radio Station is the operator of a soft drink vending machine. The vending machine has a posted sign stating "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 subject to tax is $190.48 ($200 divided by 1.05 = $190.48 sales price), and the 5% state sales tax liability is $9.52 ($190.48 X 5% = $9.52).

2. Exempt Vending Machine Sales

Examples of exempt sales from vending machines include:

- Cookies
- Donuts
- Fruit that is not candy coated
- Granola bars that contain flour
- Ice tea that is not sweetened
- Juices that are more than 50% fruit or vegetable juice by volume
- Milk sold in a carton
- Nonalcoholic beverages that contain milk or milk products and are sold in a bottle or can
- Peanuts that are plain or just salted
- Potato chips and corn chips, unless chocolate covered and do not contain flour
- Pretzels
- Raisins, unless the raisins are candy, such as yogurt coated raisins

- Water that is not sweetened
- Yogurt

Example: Television Station sells cookies, milk in sealed cartons, and pretzels through vending machines located at the station. Such sales are exempt from Wisconsin sales tax.

3. Commissions From Vending Machine Sales

If the commercial radio or television station receives commissions from a third party who controls or is the operator of the vending machines, the commercial radio or television station's receipts from such commissions are not subject to Wisconsin sales tax. The third party is responsible for reporting the Wisconsin sales tax on the total sales from the machine, without any deduction for the commissions paid.

Example: Radio Station receives a commission on sales from a soft drink vending machine by Vending Company in return for allowing Vending Company to place the vending machine at Radio Station. Radio Station is not the operator of and does not control the vending machine. A statement on the vending machine indicates "Price Includes Sales Tax." In February, the total amount for soft drinks sold is $200. Radio Station receives a commission of $50. The $50 commission received by Radio Station is not subject to Wisconsin sales tax. Vending Company's total sales (less the sales tax included) from the vending machine of $190.48 ($200 divided by 1.05 = $190.48) are subject to Wisconsin sales tax and must be reported on Vending Company's sales and use tax return. Vending Company's taxable receipts are not reduced by the $50 commission paid to Radio Station.

H. Sales of Used Equipment

Sales of equipment which a radio or television station previously used in operating the station are generally taxable, unless the purchaser provides the radio or television station with a fully completed exemption certificate. Examples include:

- Computers
- Desks
- Motor vehicles
- Office equipment
- Transmitters and other equipment

Example: Radio Station holds a seller's permit and sells a used chair for $50. The sale of the chair is taxable.

Exception: An exemption may apply if the sale of the item is made after the radio or television station has ceased business activities at that location. For additional information about this exemption, see Publication 201, *Wisconsin Sales and Use Tax Information*, Part XV.

IV. COMMERCIAL RADIO OR TELEVISION STATION'S PURCHASES

A radio or television station's purchase of the taxable products and taxable services described in Parts II.A. and B. are subject to tax, unless an exemption applies. For example, when a radio or television station purchases cleaning supplies, lobby chairs, office equipment and furniture, restroom supplies, and landscaping services, the radio or television station must pay tax on its purchases of these products.

If Wisconsin sales tax is not charged by the supplier of the taxable product or taxable service that is used, stored, or consumed in Wisconsin, Wisconsin use tax must be reported and paid by the radio or television station to the Wisconsin Department of Revenue on its *Wisconsin Sales and Use Tax Return*. If the taxable product or taxable

service was purchased in another state, the other state's tax is properly paid, and the product or service is later used, stored, or consumed in Wisconsin, a credit for the other state's sales tax is allowed against the radio or television station's Wisconsin use tax liability.

A radio or television station's purchase of a real property improvement is not subject to tax. The seller of the real property improvement is liable for sales or use tax on its purchase of the materials used in making the real property improvement.

A sales and use tax exemption may apply to some of a radio or television station's purchases. These exemptions, as well as some special situations, are described in Part IV.D. to G., below.

A. Taxable Services

The following are examples of services purchased by radio and television stations which are subject to Wisconsin sales or use tax (list is not all-inclusive):

- Email services
- Inspecting, repairing, and maintaining tangible personal property (e.g., furniture, boilers, furnaces, water softeners, water heaters, bathroom fixtures)
- Internet access service
- Landscaping and gardening services
- Telephone service and teleconference services

For a complete list of taxable services, see *Answer 3* of *What is Taxable* - Common Questions, on the department's website.

B. Equipment and Supplies

Equipment and supplies that a radio or television station purchases and uses in its business are subject to tax, unless an exemption applies. Some exemptions that may apply are explained in Part IV.D. to G., below.

- Cleaning supplies
- Computers, computer supplies, and prewritten computer software
- Copy machines and supplies
- Digital music downloads used a background music in the lobby and work areas
- Electricity
- Equipment used in the radio or television station's business operations
- Natural gas and propane
- Office equipment and furniture
- Paper, pens, and pencils
- Promotional items given away

C. Communications Towers

The tax treatment of the purchase of a communications tower depends on whether the communications tower is built on land owned by the owner of the tower or on leased land, as well as whether the seller of the communications tower installs the tower.

1. Purchase of a Communications Tower

Communication towers located on land owned by the owner of the tower

When a communications tower is located on land owned by the owner of the tower, the communications tower is considered to be a real property improvement.

- If the seller furnishes and installs the communications tower, the sale of the tower is not taxable (i.e., the sale of a real property improvement is not subject to tax). The seller/installer is liable for sales or use tax on its purchase of the tower and other materials used in its sale of a real property improvement.

- If the seller furnishes, but does not install the communications tower (i.e., the purchaser installs the tower or hires a third-party to install the tower), the sale of the tower is subject to sales or use tax. The installer's charge for labor is not subject to tax.

Communication towers located on land owned by a person other than the owner of the tower (e.g., located on leased land)

When a communications tower is located on land owned by a person other than the owner of the tower, the communications tower retains its character as tangible personal property.

- If the seller furnishes and installs the communications tower, the sale of the tower is taxable (i.e., the sale of tangible personal property is subject to tax). The seller/installer may purchase without tax, for resale, the tower and other materials that are physically transferred to the purchaser in its sale of the communications tower.

- If the seller furnishes, but does not install the communications tower (i.e., the purchaser installs the tower or hires a third-party to install the tower), the sale of the tower is subject to sales or use tax. The installer's charge for labor is subject to tax.

Concrete foundations for communications towers are real property.

2. Lease of Space on a Communications Tower

If a radio or television station leases space on a communications tower from another party, the amount that the radio or television station pays may or may not be subject to Wisconsin sales and or tax.

- If the lessor of the tower owns both the tower and the land on which the tower is located, the lessor's charge to the lessee for space on the tower is not taxable. The lessor is leasing real property to the lessee.

- If the lessor of the tower owns the tower, but not the land on which the tower is located (e.g., the tower is located on leased land), the lessor's charge to the lessee for tower space is taxable. The lessor is leasing tangible personal property to the lessee.

D. Printed Materials

A radio or television station may purchase printed materials that it uses for advertising or other purposes. The station's purchase of printed materials, such as signs, banners, business cards, posters, and letterhead, are subject to tax, unless an exemption applies.

There are a number of exemptions that apply to printed materials:

- The sale or purchase of printed advertising materials that are transported by the purchaser to locations outside Wisconsin for use solely outside Wisconsin.

- The sale or purchase of catalogs that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms, and the mailing envelopes in which the catalogs are mailed.

- The sale or purchase of advertising and promotional direct mail.

These exemptions, as well as other exemptions for printed materials, are explained in detail in Part VI.B. of Publication 235, *Advertising Companies*.

E. Program Material

A radio or television station's purchase of program material, such as syndicated programming, is exempt from tax. An exemption from sales and use taxes is provided for the following in sec. 77.54(23m), Wis. Stats. (2011-12):

> The sales price from the sale of or the storage, use or other consumption of motion picture film or tape, and motion pictures or radio or television programs for listening, viewing, or broadcast, and advertising materials related thereto, sold to a motion picture theater or radio or television station.

This exemption applies to programs transferred to the radio or television station in a tangible format (e.g., film, tape), as well as in a digital format (e.g., email, satellite).

F. Generators and Fuel for Generators

The tax treatment of a radio or television station's purchase of a backup power generator and fuel for the generator is described below.

1. Stand-alone generators. A radio or television station's purchase of a stand-alone generator is exempt from sales and use tax under the manufacturing exemption provided in sec. 77.54(6)(a), Wis. Stats. This includes generators to power the transmission system in a satellite truck or microwave truck. (Also, see Parts IV.G.5.k. and l.) Fuel used in this generator is exempt from sales and use taxes.

2. Generators that are permanently affixed to the real property:

   - *Process function.* Generator is used primarily (more than 50% of the generator's output) to provide backup power that is supplied directly to equipment used for a business process. The generator remains tangible personal property when installed. A radio or television station's purchase of this generator is exempt from sales and use tax under the manufacturing exemption provided in sec. 77.54(6)(a), Wis. Stats.

     Fuel used in this generator is exempt from sales and use taxes.

     Examples of generators that qualify for the manufacturing exemption are backup generators that are used primarily to supply power directly to equipment in the news room, production-control room, master-control room, satellite control room, studio, technical core, and/or tower suites.

   - *Building function.* Used primarily (more than 50% of the generator's output) to provide backup power for general building wiring. The generator becomes a part of real property when installed and does not qualify for the manufacturing exemption.

- If the seller of the generator sells and installs the generator, the seller's charge to the radio or television station is not taxable. The sale of a real property improvement is not subject to tax. The seller/installer will pay tax on its purchase of the generator that it uses in making a real property improvement.

- If the radio or television station purchases the generator without installation and (a) installs the generator itself, or (b) hires someone *other than the seller of the generator* to install the generator, the sale of the uninstalled generator is taxable. The installer's charge to the radio or television station is not taxable (i.e., the installer is making a real property improvement when installing the generator.

Fuel used in this generator is exempt from sales or use tax.

G. New Exemption for Certain Radio and Television Stations (effective July 1, 2014)

Effective July 1, 2014, an exemption applies for certain property sold to a person who is licensed to operate a commercial radio or television station in Wisconsin. In order to qualify for this exemption, the property must meet all four of the following criteria:

All four of the following must apply:

1. The property must be used in the ***origination or integration of various sources of program material***;
2. The property must be ***used directly*** in the manner described in 1.
3. The property must be ***used exclusively*** in the manner described in 1.; and
4. The transmission of such program material must be generally available to the public ***free of charge*** without a subscription or service agreement.

The exemption includes fuel and electricity, vehicles licensed for highway use, and equipment used to transmit or receive signals from a satellite when the above criteria are met for such property.

The exemption does not apply to real property improvements.

Criteria 1 through 4 are further described, below:

1. The property must be used in the *origination or integration of various sources of program material*

Property that is not used in the origination or integration of the program material does not qualify for exemption. Property that is used for the transmission of finished program material does not qualify for exemption. However, property that is used for the transmission of components of program material to the radio or television station where it is then integrated into the program material qualifies for the exemption if that property is used exclusively in that manner. For example, transmission equipment on a satellite truck used exclusively to send a signal to a television station, where the signal is incorporated into the television station's program material, qualifies for exemption.

2. The property must be *used directly* in the manner described in 1.

Property must be ***used directly*** in the origination or integration of various sources of program material for commercial radio or television transmission. Any property that is not used directly in the origination or integration of such program material does not qualify for exemption. For example, property used for general building lighting, heating, or air conditioning, fire prevention, storage, and trash disposal are examples of property that is not ***used directly*** in the origination or integration of the program material.

Desks and tables are not used directly in the origination or integration of the program material and are taxable, even if exempt equipment is placed on the desk or table. However, a stand for exempt property is exempt when purchased from the seller of the property as an original component part of the exempt property.

3. The property must be *used exclusively* in the manner described in 1.

Used exclusively, for purposes of this exemption, means used to the exclusion of all other uses, except for other use not exceeding 5%. Therefore, property that is used 95% or more of the time in a qualifying use is exempt from tax.

4. The transmission of such program material must be generally available to the public *free of charge* without a subscription or service agreement.

In order to qualify for the exemption, the property must be used in the origination or integration of various sources of program material for commercial radio or television transmission ***that are generally available to the public free of charge without a subscription or service agreement***. The exemption is not invalidated if the program material is broadcast to the public free of charge, but is also sent to a cable or satellite television service provider that includes such program material as a part of its paid subscription programming.

5. Fuel and Electricity

The exemption includes fuel and electricity that is used exclusively and directly in the origination or integration of various sources of program material for commercial radio or television transmissions. This includes use in equipment that qualifies for the exemption, if that use occurs while the equipment is being used in an exempt manner.

Fuel and electricity are not "used in the origination or integration of various sources of program material" if they are used in providing building heating, cooling, air conditioning, communications, general lighting, safety and fire prevention, storage, sales, advertising or administrative department activities, or when transmitting the final program material.

Commercial radio and television stations are not allowed to claim 100% exempt usage for fuel or electricity when they know at the time of purchase that the exempt usage will be less than 100%. The exemption percentage claimed should represent the purchaser's best estimate of the exempt usage and should be calculated on a meter-by-meter basis for each meter that is measuring electricity and/or natural gas consumption.

It is not necessary for a commercial radio and television station to have separate meters to claim the exemption. The commercial radio and television station must, however, be able to show how it reasonably determined its exempt percentage. An energy usage study may be conducted; however, other methods of making a reasonable allocation are also acceptable.

The station should give an exemption certificate (Form S-211) to its supplier claiming the exempt percentage of fuel or electricity. A copy of the exemption certificate is included in the Appendix at the end of this publication. Box 6 in the "Other" section on page 2 of Form S-211 should be checked, and the exempt percentage of fuel and electricity should be entered in the space provided.

See Part IV.F. for the tax treatment of fuel used in backup generators.

6. Motor Vehicles

Motor vehicles qualify for exemption when used exclusively and directly in the origination or integration of various sources of program material. Generally, satellite and microwave trucks will qualify for exemption. Equipment, including transmitters and satellite dishes, on these trucks also qualify for exemption, since the equipment is used to originate a signal and send it to the radio or television station for use in the origination and integration of the program material.

Other motor vehicles may also qualify for exemption. For example, an automobile, van, or truck that is used exclusively to bring reporters, camera persons, and other personnel to a location where live or recorded material is filmed or transmitted back to the radio or television station, and also bring them back to the studio, qualifies for exemption. However, if that same vehicle is used by salespersons or used personally by employees, the vehicle does not qualify for exemption, since the vehicle is not used exclusively in an exempt manner.

7. Equipment

In order to qualify for the exemption, the equipment must be used exclusively and directly in the origination or integration of various sources of program material for commercial radio or television transmissions. Different business areas of a radio or television station are described below. Following the description of each business area is a chart of examples, which lists specific equipment commonly used in that area and whether that type of equipment qualifies for the exemption. The list of equipment in each chart is not all-inclusive.

a. *Newsroom (Press Room)*

The Newsroom is where the station's newscasts are prepared. In the Newsroom, persons are monitoring news and events as they are happening. Assignments are given to reporters, camera persons, journalists, and editors. News is gathered and copy is written and edited.

Items in Newsroom (Press Room)	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Computers, software, and monitors used to draft program material	X			
Desks and chairs where program material is drafted				X
Graphics generators used to prepare weather forecasts and other on-screen graphics for a newscast	X			
Printers (e.g., used to print scripts)	X			
Scanners (police band)	X			

b. Production Control Room (Live-Air Control Room)

The Production Control Room is where the composition of the live outgoing program takes place. Newscasts are prepared and previewed. From this room, a producer can communicate with the director, camera person, on-site reporters, and others. Audio is adjusted and monitored here, including the monitoring of the "perceived loudness" of news clips.

Items in Production Control Room (Live-Air Control Room)	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Audio loudness monitors to monitor the perceived loudness in order to stay within legal limits	X			
Audio mixer console to adjust the sound	X			
Audio mixers and support gear for audio switchers	X			
Audio monitoring speakers	X			
Batteries for wireless studio devices	X			
Closed caption generating and monitoring equipment	X			
Controller that is used to aim a microwave antenna	X			
DOT traffic monitor to monitor traffic on highway	X			
DVD recorders and players used to transfer program content that is received on DVD to video servers	X			
DVD recorders that are used to record a DVD for a client or outside agency		X		
Edit equipment	X			
Graphics generators (also known as character generators)	X			
Headsets	X			
Intercom system to communicate with the studio and others in building			X	
Remote broadband access systems and wifi systems - cellular 4G or wifi equipment, such as wifi hubs, smartphones, and tablets, used by persons at remote locations in the field to communicate with persons in production control room	X			

Items in Production Control Room (Live-Air Control Room)	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
School closing software – schools can access software to contact television station when school is closed	X			
Support gear for audio console and video switchers	X			
Teleprompter to provide script to anchors	X			
Telestrator, which is a device that allows the operator to draw on a video image (e.g., drawing lines or circles on the video image of a football game)	X			
Video mixer/switcher systems to allow the director to select between different video sources and mix them together	X			
Video monitor used to monitor competitors for breaking news and other information	X			
Video monitor used to monitor off air quality of the newscast	X			
Video monitor used to preview and prepare for newscasts	X			
Video multi-viewer that allows single monitor to display multiple signals	X			
Video streaming systems to stream signal to station's website	X			
Video tape decks used to play programs and commercials that are received on video tape and to play these materials into the video servers	X			
Video tape decks used to record material onto video tape for outside agencies or back up recordings		X		
Wireless communications systems to provide communication between the producer and the studio, on-site reporters, etc.	X			

c. Master Control Room

The Master Control Room is the central hub of the television station. The Master Control Room stores the equipment that controls the signals that are sent to each of the multi-channel video programming distributors (MVPD). The signal goes from the Master Control Room to the transmitter.

Items in Master Control Room	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Alarms that go off if there is a problem with the signal	X			
Camera Control Units (CCU) to control the camera video quality	X			
Down-stream graphics generators (for time, temperature and identification graphics)	X			
Equipment to monitor live broadcast (i.e., TV station receives its own broadcasted signal from the air to monitor what viewers are actually seeing in order to adjust program material)	X			
Equipment used to switch local and network feeds	X			
Fiber optics encoders and decoders used to get the DTV stream to the satellite providers, who aggregate signals to their headend where they uplink the signal to the satellite		X		
Fiber optics encoders and decoders used to get the DTV stream to the transmitter site, where the decoded signal goes to the transmitter and then over the air		X		
Monitors	X			
Radio modulation monitoring equipment to ensure that the signal is compliant with the legal requirements	X			
Station accounting system software				X
Station automation systems to run commercials and automate the master control playlists	X			
Station traffic systems or software to determine air traffic (i.e., when commercials are played) and used to bill customers			X	

Items in Master Control Room	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Transmitter monitors used to monitor the various signals and program providers to ensure quality	X			
Video recorders	X			

d. Satellite Control Room (Satellite Feed Room, Studio Control Room)

The Satellite Control Room is where television feeds are sent to and received from the local satellite and used by the television station.

Items in Satellite Control Room (Satellite Feed Room, Studio Control Room)	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Decoders	X			
Digital converters to convert different formats of signals (e.g., if station uses 1080p and receives a 720p signal, station must convert signal)	X			
Integrated Receiver Decoders (IRDs)	X			
Quality control monitors	X			
Satellite receivers	X			

e. The Green Room

The Green Room is a reception area for crew, talent, and visitors.

Items in The Green Room	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Furniture (e.g., chairs, sofas, tables)		X		

f. Studio (News Desk)

The Studio is the actual stage on which the actions that will be recorded take place.

Items in Studio (News Desk)	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
A wood riser-style platform that acts as the set floor and sits on, but is not attached to, the concrete floor	X			
Camera cable	X			
Cameras, camera stands, and rolling pedestals for cameras	X			
Chromakey green panel	X			
Desks/counters where anchors sit while on air	X			
Drywall backdrops to give the appearance of walls within a room	X			
General lighting				X
Lighting attached to a light grid (i.e., cables/structural beams/brackets) used in recording video	X			
Microphones	X			
Set lighting and other hanging elements on the set	X			
Tablets for the anchors to read the script	X			
Teleprompter	X			
Wireless studio communications systems to provide communication between the producer and the studio, including headsets	X			

g. Technical Core

The Technical Core is a room with a controlled environment (i.e., temperature and moisture levels must be maintained at a certain level). The servers are held on racks in the Technical Core. Cabling is run under a raised, removable, computer room floor.

Items in Technical Core	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Audio compressors to control volume in programs	X			
Audio processors	X			
Backup servers (on and off site)				X

Items in Technical Core	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Cable labeling printers and supplies				X
Communications cabling (under floor and between equipment) **used between exempt property and exempt property**	X			
Communications cabling (under floor and between equipment) **used between taxable property and exempt property**			X	
Communications cabling (under floor and between equipment) **used between taxable property and taxable property**		X		
Computers that contain the database that runs the automation systems (i.e., control the equipment used on the air and provide the user interface)	X			
Computers that control the equipment used on the air (i.e., automate broadcasting operations)	X			
Computers that provide the user interface (i.e., human-machine interface between personnel and broadcast equipment)	X			
DTV encoders to turn signal into a signal that can be broadcast	X			
Duplexer/multiplexer (takes signals from encoders and combines them)	X			
Encoding equipment	X			
Fiber studio interconnects (telecommunications service used to transmit television signal to transmission tower and/or to studios in other cities). **Taxable** as a telecommunication service.	N/A	N/A	N/A	N/A
Newsroom server that stores current news scripts and video footage	X			
Power supplies (surge protectors, adapters, and external power supplies for equipment)				X
Routers systems used for both incoming and outgoing feed			X	

Items in Technical Core	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Routers systems used for incoming feed	X			
Routers systems used for outgoing feed		X		
Server racks, if purchased separately from exempt servers				X
Server used for administrative functions (e.g., accounting)		X		
Servers for email		X		
Servers for traffic	X			
Servers to store archived copies of commercials and program material		X		
Servers to store current commercials and program material	X			
Servers to store current commercials and program material, as well as archived copies of commercials and program material			X	
Station traffic systems or software to determine air traffic (i.e., when commercials are played) and used to bill customers			X	
Time code generators used to impress time and identifying stamps on video	X			

h. Satellite Dishes

Satellite dishes may be used to send or receive signals. Generally, satellite dishes that are used to send signals are used after the program material has been created. Satellite dishes used to transmit the finished program material do not qualify for exemption. However, satellite dishes that are used by a radio or television station exclusively to receive program material and satellite dishes that are used on satellite trucks to transmit signals to the station for integration into the program material qualify for exemption.

Items – Satellite Dishes	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Satellite dishes on building roof to receive signals	X			
Satellite dishes on grounds to receive signals (not including foundations)	X			

Items – Satellite Dishes	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Satellite dishes on poles to receive signals (not including foundations)	X			
Satellite dishes used on a satellite truck to transmit signal to the station for integration into the program material	X			
Satellite dishes used to transmit finished program material (not including foundations)		X		

i. Tower

The Tower is the structure that is designed to support transmitting and receiving antennas, including satellite antennas. A TV or FM Radio Tower is located at a high location in order to receive and transmit terrestrial microwave signals from a greater distance and to allow the TV or FM signal to cover as much area as possible. An AM transmitter site may consist of anywhere from 1-12 Towers, depending on the FCC authorized directional pattern and is not elevation dependent. The Tower itself is constructed on a concrete foundation and is made of steel supports and beams. The antennas are attached to the Tower and cable is run from each antenna to its corresponding Tower Suite. The owner of the Tower may lease space on the Tower to others.

Items on Tower	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Antennas, including satellite dishes, used to receive program material that will be transmitted to the studio to be integrated with other program material	X			
Antennas, including satellite dishes, used to transmit signals		X		
Lights		X		
Radiation and protective signage and fencing around the Tower and Tower Suite		X		
Skycams to get shots of city	X			
Transmission lines and other cables used to transmit program material from the tower to the station where the program material will be integrated with other program material	X			

Items on Tower	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Transmission lines and other cables used to transmit signals from the station to the tower		X		
Transmission lines and other cables used to transmit signals from the station to the tower AND from the tower to the station			X	

j. Tower Suite

The Tower Suite is located at the base of the Tower. There may be several Tower Suites at the base of a single Tower, since the owner of the Tower may lease space on the Tower to others, who would each need their own Tower Suite.

Items in Tower Suite	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Control panel for transmitter		X		
Dehydrator to take moisture out of the air that goes into transmission line		X		
Demodulator for monitoring transmitted signal to ensure proper transmission		X		
Encoder that turns video and audio signal into a broadcast signal		X		
Fans to cool the Tower Suite from heat produced from transmitter amplifiers		X		
Fiber optics decoders used to get the DTV stream from the Master Control Room to the transmitter, and then over the air		X		
Filters, including bag filters, to filter the air before it goes into the transmitter room		X		
FM RDS Encoder (Title and Artist)	X			
Microwave receiver and support gear to receive signal from microwave trucks	X			

Items in Tower Suite	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Networking Equipment (e.g., Ethernet Switch, cabling) for data connection between tower suite and studio			X	
Power supplies that are part of a transmitter		X		
Radiation and protective signage and fencing around the Tower and Tower Suite		X		
Signal analyzer for quality control tests, used to check the quality of the DTV signal and to ensure compliance with FCC regulations, as they relate to over the air signals	X			
Studio transmitter link to transmit to Tower site		X		
Transmitter		X		
Transmitter amplifier cabinets with power amp units and transistors		X		

k. Satellite Truck

The Satellite Truck is a mobile unit that allows remote broadcasting via satellite transmission directly from the truck. The signal is sent to the station via satellite, where the signal is incorporated into the program material.

Items in Satellite Truck	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Generator to power the transmission system	X (exempt manufacturing equipment used in the manufacture of electricity)			
Other equipment generally found in the Production Control Room to edit and encode the signal and send it to the station (with video switcher to be able to cut cameras and do a live segment)	X			

Items in Satellite Truck	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Satellite dish (mounted on top of truck) to transmit signal to satellite and then to studio	X			
Transmission cable to transmit signal from camera to satellite truck	X			
Transmission system	X			

l. Microwave Truck

The Satellite Truck is a mobile unit that allows remote broadcasting via terrestrial microwave transmission directly from the truck. The signal is sent to the station, where the signal is incorporated into the program material.

Items in Microwave Truck	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Air compressor to power the hydraulic-powered tower	X			
Antenna (mounted on top of truck) to transmit signal to studio	X			
Generator to power the transmission system	X (exempt manufacturing equipment used in the manufacture of electricity)			
Hydraulic-powered tower on the top of the truck to which the antenna is mounted (tower raised antenna to highest possible level to ensure greatest microwave transmission distance)	X			
Other equipment generally found in the Production-Control Room to edit and encode the signal and send it to the station (with video switcher to be able to cut cameras and do a live segment)	X			
Transmission cable to transmit signal from camera to microwave truck	X			
Transmission system	X			

m. On-Site Equipment

Equipment that is used at mobile news sites by camera person, reporters, etc.

Items of On-Site Equipment	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Battery belts that hold spare batteries for cameras				X
Camera bags, if purchased separately from exempt cameras				X
Camera lenses, stands, and tripods	X			
Cameras	X			
Cell phones and other broadband devices used for capturing video images	X			
Data cards to store video images	X			
Microphones and headsets	X			
Personal digital recorder	X			
Tablet used for onsite audio editing and transmitting audio to radio station	X			
Two-way radios used in satellite and microwave trucks to crews to talk with station	X			

n. Other Purchases/Equipment Used by a Radio or Television Station

Other Purchases/Equipment	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Antivirus software				X
Audio watermark encoding equipment worn by individual viewers to record what shows the viewer is watching (for ratings purposes)		X		
Consulting services - Advisors hired to determine how to improve broadcasting. Charges are for a **nontaxable** service.	N/A	N/A	N/A	N/A
Consulting services - Engineering study that must be done each time a structural change to the Tower is considered. Charges are for a **nontaxable** service.	N/A	N/A	N/A	N/A

Other Purchases/Equipment	**Exempt** if used exclusively in manner described	**Taxable –** Not used in the origination or integration of various sources of program material	**Taxable –** Not used ***exclusively*** in the origination or integration of various sources of program material	**Taxable –** Not used ***directly*** in the origination or integration of various sources of program material
Fire alarm system to protect specific equipment. System purchased either installed or uninstalled.		X		
Fire alarm systems to protect the building. System purchased installed. The installed fire alarm system is a real property improvement. A contractor's charges for labor and material to make a real property improvement are **not taxable**.	N/A	N/A	N/A	N/A
Fire alarm systems to protect the building. System purchased uninstalled.		X		
Security cameras to prevent unauthorized entry into the building. Cameras purchased installed. The installed security camera is a real property improvement. A contractor's charges to make a real property improvement are **not taxable**.	N/A	N/A	N/A	N/A
Security cameras to prevent unauthorized entry into the building. Cameras purchased uninstalled.		X		
Security cameras to protect specific equipment. Cameras purchased either installed or uninstalled.		X		

8. How to Claim the Exemption

In order to claim the exemption, the commercial radio or television station must provide the seller with a fully completed exemption certificate (Form S-211, *Wisconsin Sales and Use Tax Exemption Certificate*). A copy of this exemption certificate is provided in the Appendix at the end of this publication.

Each entry above the gray-shaded area ("Reason for Exemption") on page 1 must be completed. The "Other" section on page 2 of Form S-211 includes two boxes (Box 5 and Box 6) that should be used when claiming the exemption. Box 5 should be checked for claiming an exemption for property that is used exclusively and directly in an exempt manner. Box 6 should be checked when claiming an exemption for fuel and electricity used in an exempt manner. If the certificate is being used for the purchase of fuel or electricity, the purchaser must indicate the percentage of the fuel or electricity that qualifies for exemption.

V. KEEPING AWARE OF NEW SALES AND USE TAX DEVELOPMENTS

A radio or television station should be aware of changes in the tax laws, court cases, and other published guidance which may affect how it files returns and computes the tax. Check the department's website regularly for tax news and information.

The Department of Revenue also has several electronic mailing lists available to the public. The department will send an email to subscribers on information and news specific to the respective list they have signed up for.

VI. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE

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

Visit our website . . .	revenue.wi.gov
Email . . .	DORSalesandUse@revenue.wi.gov
Write . . .	Wisconsin Department of Revenue P.O. Box 8949, Mail Stop 5-77 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: Form S-211 - Exemption Certificate

WISCONSIN SALES AND USE TAX EXEMPTION CERTIFICATE

Check One ► ☐ Single Purchase ☐ Continuous

Purchaser's Business Name	Purchaser's Address

The above purchaser, whose signature appears on the reverse side of this form, claims exemption from Wisconsin state, county, baseball or football stadium, local exposition, and premier resort sales or use tax on the purchase, lease, license, or rental of tangible personal property, property under sec. 77.52(1)(b), items under sec. 77.52(1)(c), goods under sec. 77.52(1)(d), or taxable services, as indicated by the box(es) checked below.

I hereby certify that I am engaged in the business of selling, leasing, licensing, or renting: _____

(Purchaser's description of property, items, goods, or services sold by purchaser.)

Purchaser's description of property or services purchased (itemize property, items, or goods purchased if "single purchase"):

Seller's Name	Seller's Address

REASON FOR EXEMPTION

☐ **Resale** (Enter purchaser's seller's permit or use tax certificate number) _____

Manufacturing and Biotechnology

☐ Tangible personal property (TPP) or item under s.77.52(1)(b) that is used exclusively and directly by a manufacturer in manufacturing an article of TPP or items or property under s.77.52(1)(b) or (c) that is destined for sale and that becomes an ingredient or component part of the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale or is consumed or destroyed or loses its identity in manufacturing the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale.

☐ Machines and specific processing equipment and repair parts or replacements thereof, exclusively and directly used by a manufacturer in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) and safety attachments for those machines and equipment.

☐ The repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of machines and specific processing equipment, that the above purchaser would be authorized to purchase without sales or use tax, at the time the service is performed. Tools used to repair exempt machines are not exempt.

☐ Fuel and electricity consumed in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) in this state.
Percent of fuel exempt: _____ % Percent of electricity exempt: _____ %

☐ Portion of the amount of fuel converted to steam for purposes of resale. Percent of fuel exempt: _____ %

☐ Property used exclusively and directly in qualified research, by persons engaged in manufacturing at a building assessed under s. 70.995, by persons engaged primarily in biotechnology in Wisconsin, or a combined group member conducting qualified research for another combined group member that meets these requirements.

Farming

(To qualify for this exemption, the purchaser must use item(s) exclusively and directly in the business of farming, including dairy farming, agriculture, horticulture, floriculture, silviculture, or custom farming services.)

☐ Tractors (except lawn and garden tractors), all-terrain vehicles (ATV) and farm machines, including accessories, attachments, and parts, lubricants, nonpowered equipment, and other tangible personal property or items or property under s.77.52(1)(b) or (c) that are used exclusively and directly, or are consumed or lose their identities in the business of farming. This includes services to the property and items above.

☐ Feed, seeds for planting, plants, fertilizer, soil conditioners, sprays, pesticides, and fungicides.

☐ Breeding and other livestock, poultry, and farm work stock.

☐ Containers for fruits, vegetables, grain, hay, and silage (including containers used to transfer merchandise to customers), and plastic bags, sleeves, and sheeting used to store or cover hay and silage. Baling twine and baling wire.

☐ Animal waste containers or component parts thereof (may only mark certificate as "Single Purchase").

☐ Animal bedding, medicine for farm livestock, and milk house supplies.

S-211 (R. 11-14) This Form May Be Reproduced Wisconsin Department of Revenue

Governmental Units and Other Exempt Entities

Enter CES No., if applicable

- ☐ The United States and its unincorporated agencies and instrumentalities.
- ☐ Any federally recognized American Indian tribe or band in this state.
- ☐ Wisconsin state and local governmental units, including the State of Wisconsin or any agency thereof, Wisconsin counties, cities, villages, or towns, and Wisconsin public schools, school districts, universities, or technical college districts.
- ☐ Organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals. CES Number _____ (Required for Wisconsin organizations).

Other

- ☐ Containers and other packaging, packing, and shipping materials, used to transfer merchandise to customers of the purchaser.
- ☐ Trailers and accessories, attachments, parts, supplies, materials, and service for motor trucks, tractors, and trailers which are used exclusively in common or contract carriage under LC, IC, or MC No. (if applicable) _____.
- ☐ Machines and specific processing equipment used exclusively and directly in a fertilizer blending, feed milling, or grain drying operation, including repair parts, replacements, and safety attachments.
- ☐ Building materials acquired solely for and used solely in the construction or repair of holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer or for storage of such grain, if such structures are used in a fertilizer blending, feed milling, or grain drying operation.
- ☐ Tangible personal property purchased by a person who is licensed to operate a commercial radio or television station in Wisconsin, if the property is used exclusively and directly in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.
- ☐ Fuel and electricity consumed in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.

  Percent of fuel exempt: _____ % Percent of electricity exempt: _____ %
- ☐ Tangible personal property and items, property and goods under s.77.52(1)(b), (c), and (d) to be resold by _____ on my behalf where _____ is registered to collect and remit sales tax to the Department of Revenue on such sales.
- ☐ Tangible personal property, property, items and goods under s.77.52(1)(b), (c), and (d), or services purchased by a Native American with enrollment # _____, who is enrolled with and resides on the _____ Reservation, where buyer will take possession of such property, items, goods, or services.
- ☐ Tangible personal property and items and property under s.77.52(1)(b) and (c) becoming a component of an industrial or municipal waste treatment facility, including replacement parts, chemicals, and supplies used or consumed in operating the facility. Caution: Do not check the "continuous" box at the top of page 1.
- ☐ Portion of the amount of electricity or natural gas used or consumed in an industrial waste treatment facility. (Percent of electricity or natural gas exempt _____ %)
- ☐ Electricity, natural gas, fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel for **residential** or **farm** use.

	% of Electricity Exempt	% of Natural Gas Exempt	% of Fuel Exempt
☐ Residential	_____%	_____%	_____%
☐ Farm	_____%	_____%	_____%

  Address Delivered: _____
- ☐ Percent of printed advertising material solely for out-of-state use. _____%
- ☐ Catalogs, and the envelopes in which the catalogs are mailed, that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms.
- ☐ Computers and servers used primarily to store copies of the product that are sent to a digital printer, a plate-making machine, or a printing press or are used primarily in prepress or postpress activities, by persons whose NAICS code is 323111, 323117, or 323120.
- ☐ Purchases from out-of-state sellers of tangible personal property that are temporarily stored, remain idle, and not used in this state and that are then delivered and used solely outside this state, by persons whose NAICS code is 323111, 323117, or 323120.
- ☐ Other purchases exempted by law. (State items and exemption). _____

I hereby certify that if the item(s) being purchased are not used in an exempt manner, I will remit use tax on the purchase price at the time of first taxable use. I understand that failure to remit the use tax may result in a future liability that may include tax, interest, and penalty.

Signature of Purchaser	Print or Type Name	Title	Date

(DETACH AND PRESENT TO SELLER)

INSTRUCTIONS

This certificate may be used to claim exemption from Wisconsin state, county, baseball and football stadium, local exposition, and premier resort sales or use taxes.

Under the sales and use tax law, all receipts from sales of tangible personal property, property, items and goods under sec. 77.52(1)(b), (c), and (d), or taxable services are subject to the tax until the contrary is established. However, a seller who receives a fully completed exemption certificate no later than 90 days after the date of sale is relieved of any responsibility for collection or payment of the tax upon transactions covered by the certificate. A fully completed certificate is one which is completely filled in and indicates the reason for exemption.

RESALE: A purchaser using the resale exemption is attesting that the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services being purchased will be resold, leased, licensed, or rented. However, in the event any such property, items, or goods is used for any purpose other than retention, demonstration, or display while holding it for sale, lease, license, or rental in the regular course of business, the purchaser is required to report and pay the tax on the purchase of the property, item, or good.

The following purchasers may make purchases for resale even though they do not hold a Wisconsin seller's permit or use tax certificate: (a) A wholesaler who only sells to other sellers for resale may insert "Wholesale only" in the space for the seller's permit number; (b) A person who only sells or repairs exempt property, such as to a manufacturer or farmer, may insert "Exempt sales only"; (c) A nonprofit organization may insert "Exempt sales only" if its subsequent sales of the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services are exempt as occasional sales.

A seller is allowed to accept an exemption certificate from an out-of-state retailer claiming the resale exemption for tangible personal property and items, property, and goods under sec. 77.52(1)(b), (c) and (d), Wis. Stats., drop shipped to a Wisconsin location, regardless of whether or not the out-of-state retailer holds a Wisconsin seller's permit. The out-of-state retailer's permit number, if the other state issues one, and state should be listed on the exemption certificate. If the exemption certificate does not list the Wisconsin seller's permit number or the out-of-state retailer's permit number and state, to be fully complete and valid the exemption certificate must contain a statement indicating the out-of-state retailer is a seller that is not required to hold a permit.

A resale exemption may be granted if the purchaser is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose. If the buyer purchases an item without tax for resale, but uses the item, the buyer owes use tax on its purchase of the item.

MANUFACTURING: "Manufacturing" means the production by machinery of a new article of tangible personal property or items or property under sec. 77.52(1)(b) or (c) with a different form, use, and name from existing materials, by a process popularly regarded as manufacturing, and that begins with the conveying raw materials and supplies from plant inventory to the place where work is performed in the same plant and ends with conveying finished units of tangible personal property or items or property under sec. 77.52(1)(b) or (c) to the point of first storage in the same plant.

FARMING: This certificate may not be used by farmers to claim exemption for the purchase of motor vehicles or trailers for highway use, lawn or garden tractors, snowmobiles, or for items used for the personal convenience of the farmer. When claiming an exemption for an ATV which is also registered for public use, a written description including the percentages of time for personal and farm use, must be submitted with the ATV Registration Application.

The sales price from the sale of electricity, natural gas, and other fuels for use in farming are exempt all 12 months of the year. Farmers claiming this exemption should check the box for electricity and fuel located in the "Other" section.

This certificate cannot be used as an exemption for paying Wisconsin motor vehicle fuel tax.

GOVERNMENTAL UNITS AND OTHER EXEMPT ENTITIES: A seller may accept exemption certificates from federal and Wisconsin governmental units and federally recognized American Indian tribes or bands in Wisconsin. Instead of obtaining an exemption certificate, a seller may (1) accept a purchase order from the governmental unit or tribe or band, or (2) record the governmental unit or tribe or band's Certificate of Exempt Status (CES) number on its invoices. Governmental units of other countries and states are not exempt from Wisconsin sales tax.

The exemption for the United States and its unincorporated agencies and instrumentalities may also be claimed by any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

The exemption for Wisconsin governmental units and other exempt entities may be claimed by: Local Exposition District, Professional Baseball Park District, Professional Football Stadium District, UW Hospitals and Clinics Authority, Wisconsin Aerospace Authority, Health Insurance Risk-Sharing Plan Authority, Wisconsin Economic Development Authority, Fox River Navigational System Authority, public inland lake protection and rehabilitation districts, municipal public housing authorities, uptown business improvement districts, local cultural arts districts, county-city hospitals, sewerage commissions, metropolitan sewerage districts, or joint local water authorities.

Organizations holding a Certificate of Exempt Status (CES) number: Wisconsin organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, may purchase products or services exempt from Wisconsin sales tax if the organization holds a CES number issued by the Wisconsin Department of Revenue. Wisconsin and federal governmental units, and any federally recognized American Indian tribe or band in Wisconsin, will also qualify for a CES.

A similar out-of-state organization, generally organized under sec. 501(c)(3) of the Internal Revenue Code, may purchase products or services exempt from Wisconsin sales tax even though it has not been issued a CES number. This exemption does *not* apply to out-of-state public schools, including public colleges and universities, and governmental units from other states.

Purchases (for lodging, meals, auto rental, etc.) by employees/representatives of exempt organizations performing organization business, are exempt from sales tax, provided 1) the retailer issues the billing or invoice in the name of the exempt organization, 2) the CES number is entered on the billing or invoice, and 3) the retailer retains a copy of that document.

OTHER:

Containers: This exemption applies regardless of whether or not the containers are returnable. Containers used by the purchaser only for storage or to transfer merchandise owned by the purchaser from one location to another do not qualify for the exemption.

Common or contract carriers: The exemption available to common or contract carriers for certain vehicles and repairs listed on this certificate applies only to those units used "exclusively" in such common or contract carriage. A carrier may qualify for the common or contract carriage exemption even if it does not hold a LC or IC number. The fact that a carrier holds a LC or IC number is not in itself a reason for exemption. A carrier may qualify for the common or contract carrier exemption even if it does not hold an LC or IC number.

Waste treatment facilities: The exemption applies to the sale of tangible personal property and items and property under sec. 77.52(1)(b) and (c) to a contractor for incorporation into real property which is part of an industrial or commercial waste treatment facility that qualifies for property tax exemption or a Wisconsin or federal governmental waste treatment facility.

Electricity, natural gas, fuel oil, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel:

- The sales price from the sale of electricity and natural gas for residential use during the months of November through April are exempt from sales and use tax.
- The sales price from sales of fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel sold for residential use are exempt from sales or use tax. Wood pellets are considered 100% wood even though the pellets may contain a small amount of binding material used to form the pellets.
- The sales price from the sale of fuel and electricity for use in farming are exempt all year.

A retailer of electricity, fuel, or natural gas shall have a signed exemption certificate for exempt sales for residential or farm use unless any of the following apply:

1. 100% of the electricity, fuel, or natural gas is for exempt use.
2. The sale is to an account which is properly classified as residential or farm pursuant to schedules which are filed for rate tariff with the Wisconsin Public Service Commission which are in force at the time of sale.
3. The sale is to an account which is properly classified as residential or farm for classification purposes as directed by the Federal Rural Electrification Administration.

"Farm use" means used in farming, including use in a tractor or other farm machines used directly in farming, in a furnace heating a farm building, in providing lighting in farm buildings, and use in operating motors of machines used directly in farming.

"Residential use" means use in a structure or portion of a structure which is a person's permanent principal residence. It does not include use in motor homes, travel trailers, other recreational vehicles, or transient accommodations. "Transient accommodations" means rooms or lodging available to the public for a fee for a continuous period of less than one month in a building such as a hotel, motel, inn, tourist home, tourist house or court, summer camp, resort lodge, or cabin.

Other purchases exempted by law include:

1. Printed material which is designed to advertise and promote the sale of merchandise, or to advertise the services of individual business firms, which printed material is purchased and stored for the purpose of subsequently transporting it outside the state by the purchaser for use thereafter solely outside the state.
2. Parts, supplies, or repairs for a school bus used exclusively as a contract carrier pursuant to a contract with a school or other organization.
3. Waste reduction and recycling machinery and equipment, including parts and repairs, which are exclusively and directly used for waste reduction and recycling activities.
4. Railway cars, locomotives, and other rolling stock used in railroad operations, or accessories, attachments, parts, lubricants, or fuel therefor.
5. Commercial vessels and barges of 50-ton burden or over engaged in interstate or foreign commerce or commercial fishing, and accessories, attachments, parts, and fuel therefor.
6. Fuel sold for use in motorboats that are regularly employed in carrying persons for hire for sport fishing in and upon the outlying waters, as defined in sec. 29.001(63), Wis. Stats., and the rivers and tributaries specified in sec. 29.2285(2)(a)1. and 2., Wis. Stats., if the owner and all operators are licensed under sec. 29.514, Wis. Stats., to operate the boat for that purpose.
7. A product whose power source is the wind, direct radiant energy received from the sun, or gas generated by the anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or at least 600 British thermal units per day, but not including a product that is an uninterruptible power source that is designed primarily for computers.
8. Effective July 1, 2013, snowmaking and snow-grooming machines and equipment, including accessories, attachments, and parts for the machines and fuel and electricity used to operate such machines and equipment, that are used exclusively and directly for snowmaking at ski hills, ski slopes, and ski trails.
9. Effective July 1, 2013, advertising and promotional direct mail and printing services used to produce advertising and promotional direct mail.

SIGNATURE: For corporations, this form must be signed by an employee or officer of the corporation.

QUESTIONS: If you have questions, please contact us.

WISCONSIN DEPARTMENT OF REVENUE
Customer Service Bureau
PO Box 8949
Madison WI 53708-8949

Phone: (608) 266-2776
Fax: (608) 267-1030
Website: revenue.wi.gov