

# Premier Resort Area Tax

## For Certain Sellers Making Taxable Sales In Premier Resort Areas

**NEW! The premier resort area tax will become effective in the Village of Sister Bay July 1, 2018.**

**Includes information on:**

- Who is subject to the tax
- What's taxable and what's exempt
- Filing returns and paying the tax
- Recordkeeping

# Table of Contents

	Page
<b>I. INTRODUCTION.....</b>	<b>3</b>
<b>II. WHICH SALES ARE SUBJECT TO THE TAX? .....</b>	<b>4</b>
<b>III. WHO IS SUBJECT TO THE PREMIER RESORT AREA TAX? .....</b>	<b>4</b>
A. Which Retailers Are Subject to the Tax? .....	4
B. Buyers.....	6
C. Where Does a Sale Take Place? .....	6
<b>IV. WHAT TYPES OF PRODUCTS AND SERVICES ARE TAXABLE? .....</b>	<b>9</b>
<b>V. TRANSITIONAL PROVISIONS.....</b>	<b>10</b>
A. Adoption of Premier Resort Area Tax.....	10
B. Change in Premier Resort Area Tax Rate .....	10
<b>VI. REGISTRATION .....</b>	<b>12</b>
<b>VII. COMPUTING THE TAX .....</b>	<b>12</b>
A. Tax Is Imposed on Sales Price.....	12
B. Collecting the Tax From Customers.....	12
C. Computing the Tax.....	13
<b>VIII. ACCOUNTING METHODS .....</b>	<b>14</b>
<b>IX. FILING RETURNS AND PAYING THE TAX.....</b>	<b>14</b>
A. Reporting Premier Resort Area Tax .....	14
B. How Often is the Tax Reported? .....	14
C. Due Date for Filing.....	14
D. Seasonal Retailers.....	14
E. Obtaining an Extension of Time to File .....	15
F. Payment of Tax .....	15
<b>X. INTEREST AND PENALTIES .....</b>	<b>15</b>
A. Interest.....	15
B. Penalties.....	15
<b>XI. CORRECTING AN ERROR.....</b>	<b>16</b>
<b>XII. RECORDKEEPING.....</b>	<b>16</b>
<b>XIII. YOU MAY BE AUDITED .....</b>	<b>16</b>
<b>XIV. IF YOU HAVE QUESTIONS OR NEED ASSISTANCE.....</b>	<b>16</b>

**IMPORTANT CHANGES**

**The Village of Sister Bay Adopts the Premier Resort Area Tax.** Effective July 1, 2018, the 0.5% premier resort area tax applies to sales occurring in the Village of Sister Bay.

This publication provides information about the premier resort area tax, including who is subject to the tax, which sales are subject to the tax, and how to report the tax.

The Wisconsin Department of Revenue is responsible for administering the premier resort area tax and distributing the tax to the municipalities or counties that adopt the tax.

**CAUTION**

The information in this publication reflects interpretations by the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature and in effect as of March 1, 2018. Laws enacted and in effect after that date, new administrative rules, and court decisions may change the interpretations in this publication. Guidance issued prior to March 1, 2018 is superseded by this publication, pursuant to sec. 73.16(2)(a), Wis. Stats.

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

**I. INTRODUCTION**

Wisconsin law permits a municipality or county to impose a “premier resort area” tax if the municipality or county meets certain criteria. The premier resort area tax rate is 0.5% except for the village of Lake Delton and the City of Wisconsin Dells whose tax rate is 1.25%.

In order to impose a premier resort area tax, a municipality or county must enact an ordinance or resolution declaring itself to be a “premier resort area.” However, a municipality or county may not declare itself to be a "premier resort area" unless at least 40% of the equalized value of the taxable property within the municipality or county is used by tourism-related retailers.

**Exception:** A municipality or county may impose a premier resort area tax even if less than 40% of the equalized assessed value of the taxable property within the municipality or county is used by tourism-related retailers, if authorized by the legislature. The Village of Ephraim has been provided this authority, but has not exercised this authority to date.

The following municipalities impose a premier resort area tax:

<b>Municipality</b>	<b>Effective Date of Tax</b>
Village of Sister Bay	July 1, 2018
City of Rhinelander	January 1, 2017
Village of Stockholm	October 1, 2014
City of Eagle River	October 1, 2006
City of Bayfield	January 1, 2003
City of Wisconsin Dells	July 1, 1998
Village of Lake Delton	April 1, 1998

**Note:** If other municipalities or counties adopt the premier resort area tax at a future date, the Department of Revenue will notify affected retailers in the premier resort area.

All retailers registered in Wisconsin to collect and remit the 5% Wisconsin state sales and use tax must also collect and remit the applicable 0.5% county and 0.1% baseball stadium, for any sales that take place in a county that has adopted county sales tax or the baseball stadium district. This applies regardless of whether the retailer is “engaged in business” in the county or stadium district in which the sale takes place. Additional information about these taxes is contained in [Publication 201](#), *Wisconsin Sales and Use Tax Information*.

**Example:** Retailer is located in the City of Bayfield in Bayfield County. Retailer is not engaged in business in any county other than Bayfield County. Retailer sells a taxable product to Customer. Customer is located in Dane County, Wisconsin. Retailer sends the product by U.S. Mail to Customer. Customer receives the product at its location in Dane County. Retailer is required to collect and remit both the Wisconsin state sales tax and the Dane County sales tax since the sale takes place in Dane County.

See Part III.A. for information about when a retailer is subject to the premier resort area tax.

## II. WHICH SALES ARE SUBJECT TO THE TAX?

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, and are also subject to the premier resort area tax if both of the conditions in Part III.A. are met.

For further information about these taxable products and services, see [Publication 201](#), *Wisconsin Sales and Use Tax Information*, or visit [revenue.wi.gov](http://revenue.wi.gov) and search keywords "What is Taxable?" .

## III. WHO IS SUBJECT TO THE PREMIER RESORT AREA TAX?

### A. Which Retailers Are Subject to the Tax?

Every retailer (i.e., seller) making sales of products or services that are subject to the 5% Wisconsin state sales tax, is also subject to the premier resort area tax on such sales if both of the following conditions are met:

1. The sale, license, lease, or rental takes place in a premier resort area, and
2. The retailer is classified in the Standard Industrial Classification (SIC) Manual, 1987 Edition, published by the U.S. Office of Management and Budget, under one of the following industry numbers (SIC codes):
  - 5311 – Department stores.
  - 5331 – Variety stores.
  - 5399 – Miscellaneous general merchandise stores.
  - 5441 – Candy, nut, and confectionary stores.
  - 5451 – Dairy product stores.
  - 5461 – Retail bakeries.
  - 5499 – Miscellaneous food stores.
  - 5541 – Gasoline service stations.
  - 5611 – Men’s and boys’ clothing and accessory stores.
  - 5621 – Women’s clothing stores.
  - 5632 – Women’s accessory and specialty stores.
  - 5641 – Children’s and infants’ wear stores.

- 5651 – Family clothing stores.
- 5661 – Shoe stores.
- 5699 – Miscellaneous apparel and accessory stores.
- 5812 – Eating places.
- 5813 – Drinking places.
- 5912 – Drug stores and proprietary stores.
- 5921 – Liquor stores.
- 5941 – Sporting goods stores and bicycle shops.
- 5942 – Bookstores.
- 5943 – Stationery stores.
- 5944 – Jewelry stores.
- 5945 – Hobby, toy, and game shops.
- 5946 – Camera and photographic supply stores.
- 5947 – Gift, novelty, and souvenir shops.
- 5948 – Luggage and leather goods stores.
- 5949 – Sewing, needlework, and piece goods stores.
- 5992 – Florists.
- 5993 – Tobacco stores and stands.
- 5994 – News dealers and newsstands.
- 5999 – Miscellaneous retail stores.
- 7011 – Hotels and motels.
- 7032 – Sporting and recreational camps.
- 7033 – Recreational vehicle parks and campsites.
- 7922 – Theatrical producers (except motion picture) and miscellaneous theatrical services.
- 7929 – Bands, orchestras, actors, and other entertainers and entertainment groups.
- 7948 – Racing, including track operation.
- 7991 – Physical fitness facilities.
- 7992 – Public golf courses.
- 7993 – Coin-operated amusement devices.
- 7996 – Amusement parks.
- 7997 – Membership sports and recreation clubs.
- 7999 – Amusement and recreational services, not elsewhere classified.

**Note 1:** Any retailer that would have been classified in one of the industry numbers above, except for the fact that it is a retail outlet for a manufacturer or wholesaler, will be considered to be classified in one of the industry numbers above for purposes of the premier resort area tax.

**Note 2:** A description of each of the above industry classifications is available on the Department of Revenue’s website at: [revenue.wi.gov/pages/faqs/pcs-premier.aspx](http://revenue.wi.gov/pages/faqs/pcs-premier.aspx). If there is a dispute as to the proper classification of a retailer’s business, the Department of Revenue’s decision on the proper classification is final.

**Note 3:** No retailer is liable for the premier resort area tax imposed on a transaction in which the retailer charged and collected the incorrect amount of premier resort area tax on the sale of a product that was shipped to the purchaser’s location within a premier resort area, until a database identifying the addresses subject to each premier resort area tax is available to all retailers. This relief from liability does not apply to transactions which are sourced to the retailer’s place of business.

## B. Buyers

The premier resort area tax is imposed on the seller, not the buyer. However, the seller may pass the tax on to the buyer.

The buyer does not become liable to the Department of Revenue for the premier resort area tax if the retailer fails to charge the tax to the buyer.

**Example:** A jewelry store located outside Wisconsin, classified under SIC code 5944, sells jewelry to an individual and ships the jewelry to the individual’s home in the City of Eagle River. The store does not collect the premier resort area tax on the sale. The individual is not liable for the City of Eagle River premier resort area tax.

## C. Where Does a Sale Take Place?

A sale, license, lease, or rental takes place at the location where the transaction is “sourced.” Generally, this is where the purchaser receives the product or makes first use of a service.

1. Sourcing Sales of Tangible Personal Property, Certain Coins and Stamps, and Certain Leased Property Affixed to Realty.

**Note:** “Receive” means taking possession of the product. Receive does not include a shipping company taking possession of the product on a purchaser’s behalf.

- a. *Seller’s Location.* If the purchaser receives the product at the seller’s business location, the sale is sourced to that business location. (Exception for *county and stadium* tax: Sales of motor vehicles, boats, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., and aircraft are sourced to the county where the item will be customarily kept.)

**Example 1 - General:** A person buys a bicycle for \$200 from a bicycle shop in the Village of Lake Delton premier resort area. The bicycle shop is classified under SIC code 5941. The buyer takes possession of the bicycle at the retailer’s business location in the Village of Lake Delton on July 30, 2014 and then takes the bicycle to his home in Oshkosh. The sale is sourced to the Village of Lake Delton (the place where the buyer took possession of the bicycle). The sale is subject to the Village of Lake Delton premier resort area tax since the bicycle shop is classified under SIC code 5941, and the tax rate is 1.25% since the sale occurs after June 30, 2014. The sale is also subject to the 5% state tax and the 0.5% Sauk County tax.

**Example 2 - Snowmobiles, trailers, semi-trailers, and all-terrain vehicles:** A person who lives in Ashland County (not a premier resort area) purchases a snowmobile from a retailer. The retailer is located in the City of Bayfield (a premier resort area), is primarily engaged in the business of selling sporting goods, and is classified under SIC code 5941. The City of Bayfield is located in Bayfield County. The buyer picks up the snowmobile at the retailer’s location in the City of Bayfield. The snowmobile is customarily kept in Ashland County.

The retailer is subject to the 5% state sales tax, the 0.5% Bayfield County tax, and the 0.5% City of Bayfield premier resort area tax on this sale. The retailer is subject to the Bayfield County tax because the buyer received the snowmobile in Bayfield County. The retailer is also subject to the City of Bayfield premier resort area tax on this sale because the buyer received the snowmobile in the City of Bayfield premier resort area and the retailer is classified under SIC code 5941.

**Example 3 - Motor vehicles, boats, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., and aircraft:** A retailer operates a hotel in the City of Wisconsin Dells and is classified under SIC code 7011. On July 30, 2017, the retailer sells a motor vehicle that it used in its hotel business to an individual, who lives in Milwaukee. The individual receives the vehicle in the City of Wisconsin Dells and will customarily keep the vehicle in Milwaukee County. The retailer is subject to a combined tax rate of 6.85% on this sale. This is comprised of the 5% state sales tax, the 0.5% Milwaukee County use tax, the 0.1% baseball stadium district use tax, and the 1.25% City of Wisconsin Dells premier resort area tax. The retailer must collect the Milwaukee County and baseball stadium use taxes because the buyer will customarily keep the vehicle in Milwaukee County, which is also within the baseball stadium district. The retailer is subject to the City of Wisconsin Dells premier resort area tax because the buyer received the vehicle in the City of Wisconsin Dells and the retailer is classified under SIC code 7011. The premier resort area tax rate is 1.25% since the sale occurs after June 30, 2014.

- b. *Delivery Address.* If a. does not apply, the sale is sourced to the location where the purchaser, or the purchaser's designated donee, receives the product, including the location indicated by the instructions known to the seller for delivery to the purchaser or the purchaser's designated donee.

**Example:** A person buys clothing from a clothing store in Madison, Wisconsin. The clothing store is classified under SIC code 5621. The store hires a shipping company to deliver the clothing to the buyer in the Village of Lake Delton on August 15, 2017. The store is subject to the 5% state sales tax, the 0.5% Sauk County tax, and the 1.25% Village of Lake Delton premier resort area tax on its sale of the clothing.

- c. *Purchaser's Billing Address.* If a. and b. do not apply, the sale is sourced to the purchaser's address as indicated by the seller's business records, if the records are maintained in the ordinary course of the seller's business and if using that address to establish the location of a sale is not in bad faith.
- d. *Purchaser's Other Address.* If a., b., and c. do not apply, the sale is sourced to the purchaser's address as obtained during the consummation of the sale, including the address indicated on the purchaser's payment instrument, if no other address is available and if using that address is not in bad faith.
- e. *Shipped From Location.* If the location of a sale cannot be determined under a., b., c., and d., the sale is sourced to the location from which the product is shipped. (**Exception:** If the product sold is computer software delivered electronically and the location of a sale cannot be determined under a., b., c., and d., the sale is sourced to the location from which the computer software was first available for transmission by the seller, not including any location that merely provided the digital transfer of the computer software.)

## 2. Sourcing Sales of Digital Goods

- a. *Seller's Locations.* If the purchaser takes possession or makes first use of the digital good at the seller's place of business, the sale is sourced to that location.
- b. *Delivery Address.* If a. does not apply, the sale is sourced to the location where the purchaser, or the purchaser's designated donee, takes possession or makes first use of the digital good, including the location indicated by the instructions known to the seller for delivery to the purchaser or the purchaser's designated donee.

- c. *Purchaser's Billing Address.* If a. and b. do not apply, the sale is sourced to the purchaser's address as indicated by the seller's business records, if the records are maintained in the ordinary course of the seller's business and if using that address to establish the location of a sale is not in bad faith.
- d. *Purchaser's Other Address.* If a., b., and c. do not apply, the sale is sourced to the purchaser's address as obtained during the consummation of the sale, including the address indicated on the purchaser's payment instrument, if no other address is available and if using that address is not in bad faith.
- e. *Location From Which First Transmitted.* If the location of a sale of the digital good cannot be determined under a., b., c., and d., including the circumstance in which the seller has insufficient information to determine the location under a., b., c., and d., the sale is sourced to the location from which the digital good was first available for transmission by the seller, not including any location from which the digital good was merely transferred electronically.

### 3. Sourcing Sales of Services

- a. *Seller's Location.* If the purchaser makes first use of the service at the seller's business location, the service is sourced to that business location.
- b. *Purchaser's Location of First Use.* If a. does not apply, the service is sourced to the location where the purchaser, or the purchaser's designated donee, makes first use of the service, including the location indicated by the instructions known to the seller for delivery to the purchaser or the purchaser's designated donee.
- c. *Purchaser's Billing Address.* If a. and b. do not apply, the service is sourced to the purchaser's address as indicated by the seller's business records, if the records are maintained in the ordinary course of the seller's business and if using that address to establish the location of the service is not in bad faith.
- d. *Purchaser's Other Address.* If a., b., and c. do not apply, the service is sourced to the purchaser's address as obtained during the consummation of the sale, including the address indicated on the purchaser's payment instrument, if no other address is available and if using that address is not in bad faith.
- e. *Seller's Location For Furnishing Service.* If the location of a sale cannot be determined under a., b., c., and d., including the circumstance in which the seller has insufficient information to determine the locations under a., b., c., and d., the service is sourced to the location from which the service is furnished.

**Note:** The sourcing of services for purposes of the premier resort area tax is the same as for Wisconsin county sales tax purposes.

### 4. Sourcing Leases, Rentals, and Licenses of Tangible Personal Property, Certain Coins and Stamps, Certain Leased Property, and Certain Digital Goods.

- a. The first or only payment on the lease, rental, or license is sourced to the location where the purchaser or the purchaser's donee receives the product.
- b. Subsequent periodic payments on the lease, license, or rental are sourced to the product's primary location, as indicated by an address for the product that is provided by the lessee and that is available to the lessor in records that the lessor maintains in the ordinary course of the lessor's business, if the use of such an address does not constitute bad faith. The location as determined under this paragraph is not altered by any intermittent use of the product at different locations.



5. Exception for the Sourcing of Leases, Rentals, and Licenses of Motor Vehicles, Trailers, Semitrailers, and Aircraft that are not “Transportation Equipment.”
  - a. *Only one payment required.* With regard to a lease, rental, or license of a motor vehicle, trailer, semitrailer, or aircraft, that is not “transportation equipment,” and that requires only one payment, the lease, rental, or license is sourced to the location where the purchaser receives the equipment.
  - b. *More than one payment required.* The lease, rental, or license of a motor vehicle, trailer, semitrailer, or aircraft, that is not “transportation equipment,” is sourced to the primary location of such motor vehicle, trailer, semitrailer, or aircraft as indicated by an address for the property that is provided by the lessee and that is available to the lessor in records that the lessor maintains in the ordinary course of the lessor’s business, if the use of such an address does not constitute bad faith. The location of a lease, license, or rental as determined under this paragraph is not altered by any intermittent use of the property, item, or good at different locations.

6. Exception For the Sourcing of Leases, Rentals, and Licenses of “Transportation Equipment.”

The lease, rental, or license of transportation equipment is sourced to the location determined in Part III.C.1.

“Transportation equipment” means any of the following:

- a. Locomotives and railcars that are used to carry persons or property in interstate commerce.
- b. Trucks and truck tractors that have a gross vehicle weight rating of 10,001 pounds or greater, trailers, semitrailers, and passenger buses, if such vehicles are registered under the international registration plan under sec. 341.405, Wis. Stats., and operated under the authority of a carrier that is authorized by the federal government to carry persons or property in interstate commerce.
- c. Aircraft that are operated by air carriers that are authorized by the federal government or a foreign authority to carry persons or property in interstate or foreign commerce.
- d. Containers that are designed for use on "transportation equipment" and component parts attached to or secured on such vehicles.

#### **IV. WHAT TYPES OF PRODUCTS AND SERVICES ARE TAXABLE?**

If a seller is required to charge and collect a premier resort area tax, the same products and services that are subject to the Wisconsin state sales tax are also subject to the premier resort area tax. The premier resort area tax may not be imposed on any products or services that are not subject to the Wisconsin state sales tax.

If the products or services are exempt from the Wisconsin state sales tax, they are also exempt from the premier resort area tax.

## V. TRANSITIONAL PROVISIONS

### A. Adoption of Premier Resort Area Tax

1. When a Sale, Lease, Rental, or License Occurs.
  - a. Sales of tangible personal, certain coins and stamps, and certain leased property affixed to realty are subject to the premier resort area tax if the sale occurs on or after the effective date of the premier resort area tax. A sale of such products takes place when the seller or the seller's agent transfers possession of the product to the buyer or the buyer's agent, regardless of when the product was ordered, billed, or paid for. A common carrier or the U.S. Postal Service is considered to be an agent of the seller for purposes of determining when the transfer of possession occurs.
  - b. The sale of a taxable digital good is subject to the premier resort area tax if the sale occurs on or after the effective date of the premier resort area tax. The sale of a digital good is completed at the time 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, except that, in the case of a digital good sold by subscription, the sale of the digital good is completed 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.
  - c. The lease, rental, or license of taxable products and taxable services are subject to the premier resort area tax beginning with the first billing period starting on or after the effective date of the premier resort area tax regardless of whether the service is furnished or the product is leased, rented, or licensed to the customer before or after that date.

**Exception:** Sales, licenses, leases or rentals of products that a retailer is unconditionally obligated to furnish at a fixed price under a contract entered into before the effective date of the premier resort area tax are not subject to the premier resort area tax. However, once the contract is terminated, extended, renewed or modified on or after the effective date of the premier resort area tax, the sales price from the sale, license, lease or rental from that time forward are subject to the premier resort area tax.

**Example:** The City of Rhinelander enacted an ordinance declaring itself to be a premier resort area and imposed the 0.5% premier resort area tax effective as of January 1, 2017. A retailer engaged in business in the City of Rhinelander and classified under SIC code 5311 entered into a contract with an individual on December 15, 2016, to unconditionally sell the individual a television at a fixed price of \$527.50, which included the applicable Wisconsin state and county sales tax. The television set was not available until January 6, 2017. The individual picked up the television set at the retailer's store on January 6, 2017. Since the retailer entered into the contract to sell the television prior to the date that the retailer was first subject to the City of Rhinelander premier resort area tax, and the contract was not terminated, extended, renewed or modified on or after the effective date of the City of Rhinelander premier resort area tax, the retailer's receipts from the sale of this television set are not subject to the City of Rhinelander premier resort area tax.

### B. Change in Premier Resort Area Tax Rate

1. For sales of taxable products, a change (whether an increase or decrease) in the rate of a premier resort area tax applies as of the effective date of the change in the rate of the tax.
  - The *sale of a taxable product, other than a digital good*, takes place when the seller or the seller's agent transfers possession of the product to the buyer or the buyer's agent, regardless of when the product was

ordered, billed, or paid for. A common carrier or the U.S. Postal Service is considered to be an agent of the seller for purposes of determining when the transfer of possession occurs.

- The *sale of a taxable digital good* is subject to the premier resort area tax if the sale occurs on or after the effective date of the premier resort area tax. The sale of a digital good is completed at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent, or when the good is first used, whichever comes first.
- The *sale of a digital good sold by subscription* is completed 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.

**Example – Sale of Tangible Personal Property:** (Note: The Village of Lake Delton premier resort area tax increased from 1.0% to 1.25% effective July 1, 2014.) A bookstore located in the Village of Lake Delton, classified in the Standard Industrial Classification Manual, 1987 Edition, under SIC code 5942. On June 28, 2014, a customer places an order for a book from the bookstore. On June 30, 2014, the bookstore notifies the customer that the book arrived and is available to be picked up. On July 1, 2014, the customer goes to the bookstore and picks up the book. The sale of the book is subject to the 1.25% Village of Lake Delton premier resort area tax because the sale occurred on July 1, 2014 when possession of the book transferred to the customer.

2. For sales of taxable services or the lease, rental, or license of a taxable product, an increase in the rate of a premier resort area tax is effective with the first billing period starting on or after the date of the rate change, regardless of whether the service is furnished or the product is leased, rented, or licensed to the customer before or after that date.

A decrease in the rate of a premier resort area tax is effective for bills rendered on or after the effective date of the rate change, regardless of whether the service is furnished or the product is leased, rented, or licensed to the customer before or after that date.

**Example (1) – Sale of a Service:** (Note: the City of Wisconsin Dells premier resort area tax increased from 1.0% to 1.25% effective July 1, 2014.) A customer rents space in an RV park and campground in the City of Wisconsin Dells. The RV park and campground is classified under SIC code 7033. The customer does not use the park as his primary residence. The billing period is on an annual basis from May 1 through April 30. The admission charged by the park to the customer for the period of May 1, 2014 to April 30, 2015 is subject to the 1.0% City of Wisconsin Dells premier resort area tax. The admission charged by the park to the customer for the period of May 1, 2015 to April 30, 2016 is subject to the 1.25% City of Wisconsin Dells premier resort area tax.

**Example (2) – Sale of a Service:** (Note: the City of Wisconsin Dells premier resort area tax increased from 1.0% to 1.25% effective July 1, 2014.) Same facts as Example (1), except the contract period is annually May 1 through April 30, and the billing period is on a calendar month basis. The bill for the period June 1 through June 30, 2014 is subject to the 1.0% City of Wisconsin Dells premier resort area tax. The bill for the period July 1 through July 31, 2014 is subject to the 1.25% City of Wisconsin Dells premier resort area tax.

## VI. REGISTRATION

If you are responsible for remitting the premier resort area tax, you must register with us.

If you are using *My Tax Account*, you may register online using [My Tax Account](#), or download [Form BTR-101, Application for Business Tax Registration](#), from the Department of Revenue's website at: [revenue.wi.gov](http://revenue.wi.gov) and submit the application for registration by mail.

If you are already registered for sales tax, you may contact us at:

Registration Section – Mail Stop 5-77  
Wisconsin Department of Revenue  
P. O. Box 8949  
Madison, WI 53708-8949

(608) 266-2776

[DORRegistration@wisconsin.gov](mailto:DORRegistration@wisconsin.gov)

You will need to provide your (1) business name; (2) mailing address; and (3) current tax account number under which you are reporting your Wisconsin sales tax.

## VII. COMPUTING THE TAX

### A. Tax Is Imposed on Sales Price

A premier resort area tax is imposed on a retailer's "sales price." "Sales price" is the total amount the seller receives for its sales of taxable products and taxable services, whether received in money or something other than money. If the buyer is charged by the retailer for the delivery of the products or services, the transportation charges must also be included in the sales price subject to the premier resort area tax.

Sales price for purposes of the premier resort area tax is computed in the same manner as for Wisconsin state sales tax purposes.

**Example:** Company, a camera store located in the City of Eagle River and classified under SIC code 5946, sells a camera to Customer for \$90 plus a delivery charge of \$10. Customer obtains possession of the camera in the City of Eagle River premier resort area. Company computes the sales tax due on the camera as follows:

Selling price of camera	\$ 90.00
Delivery charge	<u>10.00</u>
Sales price subject to tax	\$100.00
State sales tax due (\$100 x 5%)	5.00
Vilas County sales tax due (\$100 x 0.5%)	0.50
City of Eagle River premier resort area sales tax due (\$100 x 0.5%)	<u>0.50</u>
Total due	<u>\$106.00</u>

### B. Collecting the Tax From Customers

The premier resort area tax imposed on a retailer may be passed on to and collected from the customer. However, the retailer is responsible for the premier resort area tax even if the tax is not collected from the customer.

A retailer may use the bracket system or a straight mathematical computation to compute the amount of premier resort area tax which may be collected from the retailer's customers.

### C. Computing the Tax

The following bracket systems represent the straight mathematical computations and may be used by retailers in computing the amount of the Wisconsin state, county, and premier resort area taxes which may be collected from the retailer's customers.

<b>Computing 6% Tax:</b>		
<b>Amount of Taxable Sale</b>		<b>6% Tax Collectible</b>
\$ .01	to \$ .08	0¢
.09	to .24	1¢
.25	to .41	2¢
.42	to .58	3¢
.59	to .74	4¢
.75	to .91	5¢
.92	to 1.08	6¢

On sales exceeding \$1.00, the tax equals 6¢ for each full dollar of sales, plus the tax shown above for the applicable fractional part of a dollar.

If more than one taxable item is sold in a single transaction, the tax is computed either on the sales price of each item sold or on the aggregate sales price of the taxable items sold.

The premier resort area tax payable to the Department of Revenue by a retailer on retail sales is the applicable premier resort area tax rate multiplied by the retailer's taxable sales price, regardless of the amount of tax collected from customers.

<b>Computing 6.75% Tax (Applies to Sales on and after July 1, 2014 in the City of Wisconsin Dells and the Village of Lake Delton):</b>		
<b>Amount of Taxable Sale</b>		<b>6.75% Tax Collectible</b>
\$ .01	to \$ .07	0¢
.08	to .22	1¢
.23	to .37	2¢
.38	to .51	3¢
.52	to .66	4¢
.67	to .81	5¢
.82	to .96	6¢
.97	to 1.11	7¢
1.12	to 1.25	8¢
1.26	to 1.40	9¢
1.41	to 1.55	10¢
1.56	to 1.70	11¢
1.71	to 1.85	12¢
1.86	to 1.99	13¢
2.00	to 2.14	14¢
2.15	to 2.29	15¢
2.30	to 2.44	16¢
2.45	to 2.59	17¢
2.60	to 2.74	18¢
2.75	to 2.88	19¢
2.89	to 3.03	20¢
3.04	to 3.18	21¢
3.19	to 3.33	22¢
3.34	to 3.48	23¢
3.49	to 3.62	24¢
3.63	to 3.77	25¢
3.78	to 3.92	26¢
3.93	to 4.00	27¢

On sales exceeding \$4.00, the tax equals 27¢ for each \$4 of sales, plus the tax shown above for the fractional part of \$4.

### **Straight Mathematical Computation**

A retailer may determine the amount of tax due on a transaction either by multiplying the applicable premier resort area tax rate times the sales price of each taxable item individually or by multiplying the applicable premier resort area tax rate times the aggregate sales price of all taxable items sold in the transaction. The tax collectible from the customer is rounded to the nearest \$.01 by using the following rounding procedures:

- (a) For amounts less than \$.005, the amount shall be rounded down to the next lowest penny.

**Example 1:** Tax computed at \$.0849999 would be rounded down to \$.08.

**Example 2:** Tax computed at \$3.2549 would be rounded down to \$3.25.

- (b) For amounts equal to or greater than \$.005, the amount shall be rounded up to the next highest penny.

**Example 1:** Tax computed at \$.0850000 would be rounded up to \$.09.

**Example 2:** Tax computed at \$6.455001 would be rounded up to \$6.46.

## **VIII. ACCOUNTING METHODS**

The accrual method of accounting must be used by all retailers to determine and report their receipts, with one exception. The Department of Revenue may, if it is satisfied that an undue hardship would result from using the accrual method, permit some other method such as the cash method of accounting. Before using some other method, written approval must be obtained from the department. Written approval is not required to use the accrual method.

## **IX. FILING RETURNS AND PAYING THE TAX**

### **A. Reporting Premier Resort Area Tax**

You may use [My Tax Account](#) to report and pay your premier resort area tax.

### **B. How Often is the Tax Reported?**

After you register, we will notify you of your filing frequency. You must file a premier resort area tax return for each reporting period even if no premier report area tax is due for that period.

### **C. Due Date for Filing**

Retailers who file annually, quarterly, or monthly must file by the last day of the first month following the end of the reporting period.

### **D. Seasonal Retailers**

If a retailer is open for business only part of the year, the retailer may be allowed to file returns on a seasonal basis. To file on a seasonal basis, submit a written request to: Premier Resort Area Taxes, Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949. Your request should include the legal business name, address, tax account number, the beginning month of operation, and closing month of operation.

## **E. Obtaining an Extension of Time to File**

If a retailer cannot file the return by the due date, the retailer may request an extension of time to file before the due date through [My Tax Account](#), on the premier resort area tax page.

The department may grant an additional month from the due date of the return to file. The department will notify the retailer if the extension is granted. If the tax is not paid by the unextended due date, the tax will be subject to 1% interest per month during the extension period and 1.5% interest per month thereafter.

## **F. Payment of Tax**

[My Tax Account](#) offers you the following payment options: direct debt, credit card, and payment voucher.

## **X. INTEREST AND PENALTIES**

### **A. Interest**

#### 1. Refunds

Refunds of the premier resort area tax bear interest at the rate of 3% per year.

#### 2. Amounts due

Additional premier resort area taxes due as a result of an audit by the Wisconsin Department of Revenue or as a result of filing an amended return will be subject to interest at the rate of 12% per year until such tax is paid or becomes delinquent. Premier resort area tax that is delinquent is subject to interest at the rate of 18% per year.

### **B. Penalties**

If a retailer does not file returns, does not pay the tax by the due date of the return, or files incorrect returns, the following civil penalties may be imposed (this list is not all inclusive):

#### 1. Failure to File or Pay By the Due Date

- Late filing fee - \$20 charge for not filing a return by the due date.
- Negligence penalty - 5% of the tax due for each month (or part of a month) the return is filed after the due date because of negligence. The maximum negligence penalty for late filing is 25% of the tax due.
- Fraud penalty - 50% of the tax not paid if there was intent to defeat or evade the tax.

#### 2. Filing Incomplete or Incorrect Returns

- Negligence penalty - 25% of the additional taxes due if there was negligence in filing the return.
- Fraud penalty - 50% of the additional taxes due if there was intent to defeat or evade the taxes.

In addition, criminal penalties relating to the premier resort area tax may also apply.

## **XI. CORRECTING AN ERROR**

If a retailer files a premier resort area tax return and subsequently determines the return was not correct, the retailer must file an amended return.

Amended returns must be filed using [My Tax Account](#). **Exception:** Those retailers not required to file returns electronically may file an amended Form PRA-012, *Premier Resort Area Tax Return*. See the [instructions](#) for paper Form PRA-012 for more information.

If you are amending a return and claiming a refund, please see [Publication 216](#), *Filing Claims for Refund of Sales or Use Taxes*. The time limitations and other conditions to be met when filing a claim for refund of premier resort area tax are the same as for Wisconsin sales and use taxes.

## **XII. RECORDKEEPING**

A retailer required to file premier resort area tax returns must keep adequate records of transactions to enable the retailer and the Wisconsin Department of Revenue to determine the correct premier resort area tax due.

## **XIII. YOU MAY BE AUDITED**

Persons subject to the premier resort area tax may be audited by the Wisconsin Department of Revenue. A person will be contacted prior to any audit so that a convenient time can be arranged to examine the records. A person is required to make available the records for the premier resort area tax as well as records for other taxes.

The requirements that apply for Wisconsin sales and use tax purposes, relating to exemption certificates or other documentation that a sale or rental is exempt, also apply to the premier resort area tax. See [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Part IX.B., for additional information.

## **XIV. IF YOU HAVE QUESTIONS OR NEED ASSISTANCE**

If you have a question, visit our website, write to the department in Madison or call the number below:

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

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

Write . . . Wisconsin Department of Revenue  
Mail Stop 5-77  
P.O. Box 8949  
Madison, WI 53708-8949

Telephone . . . (608) 266-2776

Fax . . . (608) 267-1030