

Instructions for Wisconsin Sales and Use Tax Return, Form ST-12, and County Sales and Use Tax Schedule, Schedule CT

General Instructions

As part of the Wisconsin Department of Revenue's (DOR) efforts to become more efficient, DOR has notified businesses of their requirement to electronically file their sales and use tax returns. Businesses have a number of e-file and e-pay options at revenue.wi.gov (i.e., My Tax Account, TeleFile, e-file transmission). Payments may be made through ACH Debit, ACH Credit or by credit card.

This return and schedule are for reporting (or amending previously filed) state and county sales and use taxes. **This return must be filed when due, even if you have no tax to report or pay.**

If you are engaged in business at more than one location, you must file one consolidated sales and use tax return. Include information and totals of all your business locations on this return.

Before filing, read the latest "Wisconsin Tax Bulletin" on our website. This quarterly newsletter contains information that could affect the filing of your return. To receive email alerts of important sales and use tax information, subscribe to DOR E-News at revenue.wi.gov/Pages/HTML/lists.aspx.

Steps to Filing Your Return

1. Verify that the tax account number, name, address, and reporting period are correct. Notify the department of changes to your name or mailing address. If your business operates at more than one location, specify which location(s) had an ownership, name, or address change.

If you do not have a tax account number from the Wisconsin Department of Revenue, complete the online business tax registration at tap.revenue.wi.gov/btr or Form BTR-101.

2. Enter the requested information and amounts on your sales and use tax return.
3. Submit the return to the department. Include your tax account number on all correspondence and payments.
4. Keep a copy of your return for at least four years.

Do not take credit for previous overpayments on this return, except for subtractions allowable on lines 2 and 4. Amend the period the tax was originally reported in for all other overpayments.

Amended Returns – See page 5 of instructions.

Closing Your Account – Your return and payment are due within 30 days of closing your business or cancelling your permit.

Any Questions? Contact any DOR office, write to Wisconsin Department of Revenue, PO Box 8949, Madison WI 53708-8949, call (608) 266-2776, fax (608) 267-1030, email DORSalesandUse@wisconsin.gov, or visit our website.

Step-by-Step Instructions

Note: Persons holding a consumer's use tax certificate should begin filling in their return with line 21. All others should begin filling in their return with line 1.

Step A Sales Tax – State

Line 1. Total Sales: Enter the total amount of all cash, credit, and conditional sales, including all sales tax charged. Include (a) sales, licenses, leases, and rentals of taxable and exempt tangible personal property, digital goods, and services, and (b) transportation charges collected from customers. Do not reduce the amount on this line for sales returns and allowances.

IMPORTANT: You must use the accrual method of accounting to report your sales, unless DOR (a) determines this method causes undue hardship, and (b) gives you written permission to use another method.

Line 2. Sales for which you received exemption certificates: Enter sales that are exempt from tax because you accepted an exemption certificate. Examples include:

- Sales for resale
- Sales of certain machines to farmers
- Sales of certain machinery to manufacturers

- Sales to federal and Wisconsin governmental units
- Certain sales to holders of a Wisconsin direct pay permit

Include sales reported as taxable on a previously filed return when you receive a valid exemption certificate after the sale. The deduction is claimed on the return for the period in which you receive the exemption certificate. You may claim the deduction only if all of the following apply:

- You paid the tax to the DOR
- You have returned to the buyer, in cash or credit, all tax previously paid by the buyer.
- The sales tax return on which you will claim the deduction is in the same taxable year (for income or franchise tax purposes) in which you previously reported the sale and paid the tax.

Line 3. Sales of exempt property and services: Enter the total amount of sales of exempt property and services that do not require exemption certificates. Examples include:

- Sales where you furnished services outside Wisconsin, transferred property to customers outside Wisconsin, or turned property over to a shipping company for delivery outside Wisconsin.

Step B Sales Tax – County and Stadium

Your sales of tangible personal property, digital goods, and services that are subject to the 5% state sales or use tax are also subject to the 0.5% county sales or use tax if the sale takes place in a county that imposes a county tax (taxable county).

If sales of property and services are exempt from the 5% state tax, they are also exempt from the county tax.

The following chart provides the county codes for your use in completing lines 9 through 12 and lines 22 through 25.

County Codes (taxable counties as of 04-01-2020)

Adams (01-94)	01	Lincoln (04-87)	35
Ashland (04-88)	02	Marathon (04-87)	37
Barron (04-86)	03	Marinette (10-01)	38
Bayfield (04-91)	04	Marquette (04-89)	39
Brown (01-18)	05	Menominee (04-20)	72
Buffalo (04-87)	06	Milwaukee (04-91)	40
Burnett (04-89)	07	Monroe (04-90)	41
Calumet (04-18)	08	Oconto (07-94)	42
Chippewa (04-91)	09	Oneida (04-87)	43
Clark (01-09)	10	Outagamie (01-20)	44
Columbia (04-89)	11	Ozaukee (04-91)	45
Crawford (04-91)	12	Pepin (04-91)	46
Dane (04-91)	13	Pierce (04-88)	47
Dodge (04-94)	14	Polk (04-88)	48
Door (04-88)	15	Portage (04-89)	49
Douglas (04-91)	16	Price (01-93)	50
Dunn (04-86)	17	Richland (04-89)	52
Eau Claire (01-99)	18	Rock (04-07)	53
Florence (07-06)	19	Rusk (04-87)	54
Fond du Lac (04-10)	20	St. Croix (04-87)	55
Forest (04-95)	21	Sauk (04-92)	56
Grant (04-02)	22	Sawyer (04-87)	57
Green (01-03)	23	Shawano (04-90)	58
Green Lake (07-99)	24	Sheboygan (01-17)	59
Iowa (04-87)	25	Taylor (07-99)	60
Iron (04-91)	26	Trempealeau (10-95)	61
Jackson (04-87)	27	Vernon (01-97)	62
Jefferson (04-91)	28	Vilas (04-88)	63
Juneau (04-92)	29	Walworth (04-87)	64
Kenosha (04-91)	30	Washburn (04-91)	65
Kewaunee (04-17)	31	Washington (01-99)	66
La Crosse (04-90)	32	Waupaca (04-89)	68
Lafayette (04-01)	33	Waushara (04-90)	69
Langlade (04-88)	34	Wood (01-04)	71

(Date county tax became effective is in parenthesis)

Lines 9 through 12. If, for the period covered by your sales and use tax return, you had:

- Taxable sales in **4 or fewer** of the counties listed in the chart, report your sales on lines 9 through 12.
- Taxable sales in **5 or more** of the counties listed in the chart, leave lines 9 through 12 blank and report your sales on the county sales and use tax schedule, Schedule CT.

Schedule CT may be obtained from any DOR office or its website.

- Sales of real property, newspapers, prescription drugs, corrective eyeglasses, caskets, crutches, wheelchairs, hearing aids, artificial teeth, and charges for certain professional services such as legal, accounting, or medical services, and lottery ticket sales.
- Sales of food and food ingredients for human consumption. Do not include alcoholic beverages, tobacco products, candy, soft drinks, dietary supplements, and prepared foods.
- 35% of the selling price of certain new manufactured homes.
- Sales of motor fuel (gas and clear diesel), alternate fuel, or general aviation fuel subject to the Wisconsin motor vehicle fuel tax.

Line 4. Sales returns, allowances, and bad debts: Enter the total amount of the following:

- Trade-in allowances and cash discounts on taxable sales.
- Refunds or credits for returned merchandise, if the sale of such merchandise was reported as a taxable sale on a prior return or on this return, and the tax was refunded to the purchaser.
- Bad debts on taxable sales, charged off for income tax or franchise tax purposes, if the sales were reported as taxable sales on a prior return or on this return, and if your sales are reported on the accrual basis. Note: If a marketplace provider collects and remits Wisconsin sales or use tax on behalf of a marketplace seller, the marketplace provider is allowed to claim a bad debt deduction on the sales transaction if either the marketplace provider or marketplace seller is eligible to claim a deduction under section 166 of the Internal Revenue Code for the worthless amount of the transaction. A marketplace seller cannot claim a bad debt deduction for the same sales transaction.

Line 5. Other: Enter the total amount of any other allowable subtractions. Examples include:

- State and county sales tax charged to customers which is included in line 1, but only if you inform your customers that you charged sales tax. (For example, you separately list the sales tax on the receipts you give to your customers.) This information should be obtained from your records, not by multiplying the amount on line 1 by the tax rate.
- Wisconsin tax-paid purchases resold as **taxable** sales. (For example, Company A buys materials, paying Wisconsin sales tax. Before making any use of the materials, Company A makes a taxable sale of the materials. Company A must include this sale on line 1 "Total sales," but it may subtract its purchase price of the materials, less tax, on line 5.) Note: Do not take credit for tax-paid purchases resold as **nontaxable** sales on this line. You must request a refund from your supplier or file a Buyer's Claim for Refund.
- Sales through a marketplace provider
- Bingo gross receipts tax
- Local exposition taxes (room, food and beverage, rental car) and premier resort area taxes
- Rental vehicle fee
- Police and fire protection fee
- Low income assistance fee
- Land line 911 charge
- State USF fee

To complete lines 9 through 12 (you had taxable sales in **4 or fewer** of the counties listed in the chart above):

- a. Enter the two-digit county code, from the chart, for each county in which you had taxable sales. (For example, if you had taxable sales in Milwaukee County, enter 40 in the first two boxes on line 9).
- b. Enter the first 5 letters of each county in which you had taxable sales. Capitalize, but ignore spaces and punctuation. (For example, enter STCRO for St. Croix County and MILWA for Milwaukee County.) EXCEPTION: Enter GLAKE for Green Lake County.
- c. Enter the taxable sales for each county (the portion of your sales subject to state sales tax (line 7) that occurred in each county) on lines 9c, 10c, 11c and/or 12c.

Line 13. Total sales subject to county sales tax: Add any amounts you entered in the column titled "Sales Subject to County Sales Tax" for lines 9 through 12. Enter this total, **or** the total from Schedule CT, page 2, Column 1, on line 13. Multiply that amount by 0.5% (.005) and enter the result on line 14.

Line 15. Baseball stadium district taxable sales: Important! For sales made after March 31, 2020, do not report baseball stadium tax. Enter the portion of your sales subject to state sales tax (line 7) that occurred in Milwaukee, Ozaukee, Racine, Washington, or Waukesha counties prior to **April 1, 2020**, on line 15a. Multiply that amount by 0.1% (.001) and enter the result on line 15b.

Note: For periods beginning after March 31, 2020, use this line only when amounts on lines 2 and 4 result in a refund of baseball stadium tax previously reported and paid on sales prior to April 1, 2020.

Line 16. Football stadium district taxable sales: Important! For sales made after September 30, 2015, do not report football stadium tax.

Step C Sales Tax Before Discount

Line 17. Total sales tax: Add the tax amounts from lines 8, 14, and 15b. Enter the total on line 17.

Step D Discount and Net Sales Tax

Line 18. Total sales tax: Fill in the amount from line 17.

Line 19. Discount: The retailer's discount is computed as follows:

- If line 18 is \$0 to \$10, the discount is the amount on line 18.
- If the amount on line 18 is \$10 to \$2,000, the discount is \$10.
- If the amount on line 18 is greater than \$2,000, the discount is the amount on line 18 times .005, but not exceeding \$1,000.

The discount is allowed on timely reported sales tax if paid by the due date or before the expiration of any extension period, if one has been granted. A return that is mailed is considered timely filed and the tax timely paid only when all of the following conditions are met: it is mailed in a properly addressed envelope with sufficient postage; the envelope is postmarked on or before the due date; and it is received by the department 5 days or less after the due date.

Line 20. Net sales tax: Subtract line 19 from line 18 and enter the result.

Step E Use Tax – State

Caution: Failure to report use tax is the most common error made on sales and use tax returns and the leading cause of tax, interest, and penalty assessments in audits.

Use tax is the counterpart of sales tax. You owe use tax on your total purchase price of taxable tangible personal property, taxable digital goods or taxable services that you used, stored, or consumed in Wisconsin, upon which you have not previously paid Wisconsin sales or use tax. Examples of reasons you may owe use tax:

1. You bought property without paying sales tax from a seller outside Wisconsin. You would have paid sales tax if you bought the property from a Wisconsin seller.
2. You bought property without paying sales tax for resale (to sell to others) or for a nontaxable use. You then used the property in a taxable manner.
3. You bought property without paying sales tax and later gave the property away free to your customers.

Examples of purchases subject to use tax:

» **Asset additions**, including:

- Office furniture, equipment, and computers
- Counters, shelving, and other business equipment
- Materials used in constructing or remodeling a building
- Dealers' motor vehicles not held for sale (tax owed on sales price of vehicle to dealer)

» **Repair and supply items**, including:

- Repair parts used to repair your taxable equipment
- Office or cleaning supplies
- Tools

» **Other items**, including:

- Calendars, pens, etc., to be given away to customers
- Christmas or grand opening gifts
- Color cards distributed by a paint dealer
- Materials used to construct a prototype for a research and development contract
- Prewritten computer software
- Motor vehicles with dealer or regular plates held for sale by licensed dealers and assigned to specific employees subject to withholding or owners who actively participate in the business. From January 1, 2020 through December 31, 2020, the amount subject to state use tax is \$165 per plate per month. This amount is subject to change annually. From January 1, 2019 through December 31, 2019, the amount subject to state use tax is \$162 per plate per month.
- Motor vehicles with dealer or regular plates held for sale by licensed dealers and not assigned to specific employees subject to withholding or owners who actively participate in the business. The amount subject to state use tax is the "lease value" of the vehicle.

Credit for state and local sales or use tax paid in another state

Wisconsin sales and use tax law provides a credit for sales or use taxes that are properly due and paid to another state and/or local unit of government on property or services purchased outside Wisconsin and subsequently stored, used or consumed

Step F Use Tax – County and Stadium

in Wisconsin. The credit is allowed against (but not in excess of) the total of Wisconsin state and county use taxes imposed on the same property or services purchased in the other state. A special computation is required to claim credit for the tax paid in the other state.

Note: When the combined state and local taxes paid to the other state equals or exceeds the combined Wisconsin state and local use tax, no entry is required on the Wisconsin sales and use tax return to report the purchase or the credit for tax paid to the other state on the same purchase.

The following examples include various situations persons may encounter with respect to Wisconsin state and county sales and use taxes, if they purchase items outside Wisconsin and are required to pay sales or use taxes to the other state. The examples show how to use the amount of sales tax paid to the other state as a credit against Wisconsin state and county taxes imposed and how to compute and report the Wisconsin state and county taxes due.

Facts: Company A, located in Wisconsin, purchases office equipment for \$10,000 from a supplier in State B. Company A takes possession of the equipment in State B. Company A is properly charged State B's 4% state sales tax (\$400) and State B's 0.5% local sales tax (\$50). Company A brings the equipment into Wisconsin for use in the following locations.

Example 1 – Only the 5% state use tax is due.

Company A brings the equipment into Wisconsin for use in a county which does not impose the county sales and use tax. Company A can determine the Wisconsin state use tax as follows:

1. Purchase price	\$ 10,000
2. 5% Wisconsin use tax (\$10,000 x .05)	\$ 500
3. Less 4.5% use tax paid to State B (\$10,000 x .045)	<u>450</u>
4. Net use tax due to Wisconsin	\$ 50
5. Measure of tax (\$50 ÷ .05 tax rate)	\$ 1,000

Company A should include the \$1,000 on line 21a.

Example 2 – The 5% state and 0.5% county use tax is due.

Company A brings the equipment into Wisconsin for use in a county which imposes the 0.5% county sales and use tax. Company A can determine the Wisconsin state and county use tax as follows:

1. Purchase price	\$ 10,000
2. 5.5% Wisconsin use tax (\$10,000 x .055)	\$ 550
3. Less 4.5% use tax paid to State B (\$10,000 x .045)	<u>450</u>
4. Net use tax due to Wisconsin	\$ 100
5. Measure of tax (\$100 ÷ .055 tax rate)	\$1,818.18

Company A should include the \$1,818.18 on line 21a and line 22c.

Line 21. Purchases subject to state use tax: Enter your total purchases subject to state use tax on line 21a, multiply by 5% (.05), and enter the result on line 21b. **Note:** If you paid another state's sales or use tax on your purchase, see "Credit for state and local sales or use tax paid in another state" beginning on page 4.

The county use tax is imposed on the purchase price of tangible personal property, taxable digital goods, or taxable services (1) you used, stored, or consumed in a county that has adopted the county sales and use tax (taxable county), and (2) upon which you did not pay the county tax to the seller. **Note:** If you paid another state's sales or use tax on your purchase, see "Credit for state and local sales or use tax paid in another state" on page 3.

Exception – You do not owe county use tax on tangible personal property, taxable digital goods, or taxable services you purchased in a Wisconsin county that has not adopted the tax and later brought to a taxable county where you stored, used, or consumed it. This exception does not apply to certain registered or titled items and construction materials used in real property construction.

Motor vehicle dealers who reported state use tax for motor vehicles on line 21 must also report county use tax on the vehicles, if the vehicles were customarily kept in one of the taxable counties.

Contractors: Include the purchase price of tangible personal property which becomes a component part of real property located in a taxable county, unless a Wisconsin county tax was paid on the tangible personal property or an exemption applies.

Lines 22 through 25. If, for the period covered by your sales and use tax return, you had:

- Taxable purchases in **4 or fewer** of the counties listed in the chart on page 2, report these purchases on lines 22 through 25 of your sales and use tax return.
- Taxable purchases in **5 or more** of the counties listed in the chart on page 2, report these purchases on the county sales and use tax schedule, Schedule CT. (If you report taxable purchases on Schedule CT, leave lines 22 through 25 blank on your sales and use tax return).

Schedule CT may be obtained on our website.

To complete lines 22 through 25 (you had taxable purchases in **4 or fewer** of the counties in the chart on page 2):

- Enter the two-digit county code, from the chart on page 2, for each county in which you had taxable purchases. (For example, if you had taxable purchases in Door County, enter 15).
- Enter the first 5 letters of each county in which you had taxable purchases. Capitalize, but ignore spaces and punctuation. (For example, enter STCRO for St. Croix County and MILWA for Milwaukee County.) **EXCEPTION:** Enter GLAKE for Green Lake County.
- Enter the taxable purchases for each county, on lines 22c, 23c, 24c, and/or 25c.

Line 26. Total purchases subject to county use tax: Add the amounts for lines 22c through 25c. Enter this total, **or** the total from Schedule CT, page 2, Column 2 on line 26. Multiply that amount by 0.5% (.005) and enter the result on line 27.

Line 28. Baseball stadium district taxable purchases: Enter the portion of your purchases subject to state use tax (line 21a) that you (1) used, stored, or consumed in Milwaukee, Ozaukee, Racine, Washington, or Waukesha counties, **prior to April 1, 2020**, and (2) upon which you did not pay the baseball stadium tax to the seller on line 28a. Multiply that amount by 0.1% (.001)

and enter the result on line 28b. **Note:** If you paid another state's sales or use tax on your purchase, see "Credit for state and local sales or use tax paid in another state" on page 3.

Exception— You do not owe baseball stadium use tax on tangible personal property, taxable digital goods, or taxable services that you purchased in a Wisconsin county not in the baseball stadium district and later brought to a county in the baseball stadium district where you used, stored, or consumed it. This exception does not apply to certain registered or titled items and construction materials used in real property construction prior to April 1, 2020.

Motor vehicle dealers who reported state use tax for motor vehicles on line 21 must also report baseball stadium use tax on the vehicles, if the vehicles were customarily kept in the baseball stadium district prior to April 1, 2020.

Contractors: For purchasers prior to April 1, 2020, include the purchase price of tangible personal property which becomes a component part of real property located in the baseball stadium district unless you have paid the Wisconsin baseball stadium sales tax on your purchase of the property.

Line 29. Football stadium district taxable purchases: Important! Do not report football stadium tax on purchases made after September 30, 2015.

Step G Total Amount Due

Line 30. Total sales and use taxes: Add the tax amounts from lines 20, 21b, 27, and 28b. This is the total of the sales and use taxes due on this return.

Line 31. Interest: If your return is not filed by the due date, you are subject to interest on the amount on line 30 (total sales and use taxes due) at the rate of 1.5% per month from the due date of the return to the date the tax is paid. Fill in the amount of interest on line 31.

Line 32. Late filing fee (\$20) and negligence penalty: Returns filed after the due date are subject to a \$20 late filing fee, and a negligence penalty equal to 5% of the amount on line 30 (total sales and use taxes due) for each month or fraction of a month the return is late, up to a maximum penalty of 25%.

Note: The late filing fee and negligence penalty may be waived in the case of death of the person required to file the return, and in cases where a reasonable explanation exists for the late filing.

Line 33. Total amount due: Add the amounts on lines 30, 31, and 32. This is the total amount due with this return. Payment may be made by electronic funds transfer (EFT) or by credit card.

Amending Previously Filed Sales and Use Tax Returns

Note: Amended returns may be filed online through *My Tax Account*.

1. Select the amended return option. Leave the due date box blank.
2. Complete lines 1 through 30 of Form ST-12 (also complete Schedule CT, if necessary) using the correct figures, including those that did not change.

Line 19: If this amended return *increases* your total sales tax, enter the discount from your original return (or as subsequently adjusted). Do not calculate a discount on the additional amount due.

If this amended return *decreases* your total sales tax, the discount must be recomputed.

3. The total amount due is calculated as provided on the following worksheet.
4. Attach a letter explaining the reason(s) for amending your return(s). Include copies of applicable exemption certificates, invoices, credit memos, and workpapers. Do not take credit for any overpayments on future returns.

CAUTION: If the sales or use tax being refunded was collected from buyers, you must return the tax and related interest to the buyers from whom the tax was collected. If you are unable to return the tax and interest to the buyers, you must return the refund (tax and interest) to DOR. Failure to return the tax and interest may result in a penalty.

Worksheet to Figure Refund or Amount Due on Amended Form ST-12

1. Fill in amount from line 30, amended Form ST-12 1. _____
2. Fill in the total sales and use tax amount from your original return (or subsequently adjusted return) 2. _____
3. If line 2 is **more** than line 1, subtract line 1 from line 2. This is the amount you overpaid. STOP HERE. We will calculate the amount of your refund including interest. 3. _____
4. If line 2 is **less** than line 1, subtract line 2 from line 1. Fill in here 4. _____
5. Compute interest on the amount on line 4 at 12% per year from the due date of the original return to the date you pay the additional tax. Fill in here and on line 31, on the amended Form ST-12 5. _____
6. Add lines 4 and 5. Fill in here and pay this amount with the amended Form ST-12 6. _____

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of April 30, 2020: Ch. 77, Wis. Stats., and sec. Tax 11, Wis. Adm. Code.