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Wisconsin sales tax system scores high nationally

State ranked top in country for fair audit, refund procedures

MADISON – The Council on State Taxation's (COST) [2022 Sales Tax Scorecard](#) ranked Wisconsin as one of the top four state sales tax systems in the nation.

The COST Scorecard found Wisconsin has fair sales tax processes and surpasses all states scoring the only *A grade on fair audit and refund procedures*. COST's analysis pointed to Wisconsin's national membership in the Streamlined Sales and Use Tax Agreement (SSUTA) and noted the state scored high on parts related to membership in SSUTA.

The following categorical A to F grade-scale breakdown of Wisconsin's Scorecard found top grades in the *fair audit and refund procedures* and *fair sales tax processes* categories.

A Grades

- **Fair audit and refund procedures** reflects the states':
 - Use of even-handed sampling procedures
 - Avoidance of contingent fee or private auditing
 - Allowance for purchasers to directly file refund claims
 - Exclusion for sales taxes from false claims act laws or class action suits
- **Fair sales tax processes** reflect the states':
 - Acceptance of uniform exemption certificates
 - Provision of reasonable seller compensation
 - Ability for certain purchasers to use direct pay provisions to self-accrue the tax
 - Liability relief.

B Grades

- **Sales tax simplification and uniformity** reflects the participation of states in the SSUTA and the adherence of states to model marketplace facilitator laws.
- **Reasonable tax payment and credit administration** reflects the states' best practices to avoid requiring tax payments to be made before the return due date, and to allow credits for similar taxes paid to another state or jurisdiction.

The COST Scorecard's goal is to provide a nationwide perspective for legislators and executive branch officials on the best state sales tax administrative practices, and to provide a comparative measure of the fairness and efficiency of their current administrative practices to that of other state sales tax systems.

Wisconsin joined fellow Midwest states Indiana, Michigan, and Ohio as the top-ranked sales tax systems in the nation.

