

SALES AND USE TAX REPORT

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March 2000

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I. SALES OF FOOD AND BEVERAGES FOR ON-PREMISES CONSUMPTION TAXABLE

Sales of food, food products, and beverages are subject to Wisconsin sales tax when sold by restaurants, cafeterias, lunch counters, coffee shops, snack bars, hotels, motels, diners, taverns, drive-ins, mobile sales units, and similar businesses, organizations or establishments for consumption on their premises.

“Premises” is construed broadly, and, by way of illustration but not limitation, includes the lobby, aisles, and auditorium of a theater; the seating, aisles, and parking area of an arena, rink, or stadium; or the parking area of a drive-in or outdoor theater. The premises of a caterer with respect to catered meals or beverages is the place where the meals or beverages are served.

Example 1: Company A operates a cafeteria in an office building. The entire office building and adjacent parking lot are considered to be Company A’s premises. Therefore, sales of food and food products sold for consumption at tables in the cafeteria, at a customer’s desk, or in the parking lot of the office building are subject to Wisconsin sales tax.

Example 2: Company B operates a cookie shop in a shopping mall. The entire shopping mall and adjacent

parking lot are considered to be Company B’s premises. Therefore, sales of cookies sold for consumption in the mall are subject to Wisconsin sales tax.

Note: Prior to July 1, 2001, vending machine sales are considered sold for on-premises consumption. However, because of a law change, effective July 1, 2001, sales of food, food products, and beverages from a vending machine will be considered sold for consumption off the seller’s premises.

Caution: Sales of the following food, food products, and beverages are subject to Wisconsin sales or use tax, whether or not they are consumed on the seller’s premises:

- Meals and sandwiches
- Heated food and heated beverages
- Soda water beverages, soft drinks, fruit drinks, and ades that are not fruit juices
- Soda fountain items such as sundaes, milk shakes, malts, ice cream cones, and sodas
- Candy, chewing gum, lozenges, popcorn, and confections
- Fermented malt beverages (e.g., beer) and intoxicating liquors
- Medicines, tonics, vitamins, and medicinal preparations in any form

II. ENTER USE TAX INFORMATION ON FORM ST-12

If you purchase tangible personal property or taxable services without payment of Wisconsin sales tax or you properly pay tax to another state at a rate less than Wisconsin’s, you may owe Wisconsin use tax.

Common examples of items that are subject to Wisconsin use tax if a sales tax has not been paid are:

- Office furniture and equipment

- Office supplies
- Cleaning supplies
- Prizes and merchandise given away
- Computer equipment
- Computer software, except custom software

In reporting Wisconsin use tax on your Wisconsin sales and use tax return (Form ST-12), make sure you:

- A. Complete the shaded area on lines 11a through 11c by entering the purchase price of the items on which you are reporting use tax. Refer to the Form ST-12 instructions for more information.
- B. Multiply the amounts in the shaded area by the appropriate tax rate.
- C. Complete Schedule CT, Column B, on the back of your return if you are reporting a county use tax liability.

Failure to properly complete Schedule CT when you have reported county use tax on line 11b of your sales and use tax return may result in a request for complete county information being sent to you.

III. NEW FEDERAL GOVERNMENT BANKCARDS

In 1999, the United States Government implemented a new credit card program that replaced its purchase cards (I.M.P.A.C.), travel cards (American Express), and fleet cards (Wright Express) with one consolidated program. This new program is called GSA SmartPay. Cards will be issued by Citibank, First National Bank of Chicago, Nations Bank, Mellon Bank, and U.S. Bank.

All cards have unique prefixes and account numbers, government designed artwork, and wording that denotes the card is for use by the United States of America. SmartPay fleet card and purchase card sales are billed directly to the federal government. SmartPay travel card sales are either billed directly to the federal government or to a federal employe who will be reimbursed by the federal government.

Sales to the federal government, paid for with the GSA SmartPay card, are exempt from Wisconsin sales tax. However, retailers must obtain one of the following as proof that such sales are exempt from sales tax:

- A purchase order or similar written document identifying a federal governmental unit as the purchaser

- An exemption certificate (Form S-211)
- The federal governmental unit's Certificate of Exempt Status (CES) number (the CES number should be recorded on the invoice)

The above documentation is also required for exempt sales to federal government employees traveling on government business for which they are reimbursed. In addition to the above documentation, the billing or invoice should be in the name of the federal governmental unit, although it may also contain the name of the employee.

IV. NEW AND REVISED SALES AND USE TAX PUBLICATIONS

The following Wisconsin sales and use tax publications have been revised to reflect law changes, court decisions, and other changes. The most recent revision date appears in parentheses.

- 201 Wisconsin Sales and Use Tax Information (12/99)
- 210 Sales and Use Tax Treatment of Landscaping (12/99)
- 217 Auctioneers: How Do Wisconsin Sales and Use Taxes Affect Your Operations? (1/00)
- 222 Motor Vehicle Fuel Users: Do You Owe Use Tax? (3/00)

The department has also released the following new sales and use tax publication:

- 225 Beauty and Barber Shops: How Do Wisconsin Sales and Use Taxes Affect Your Business? (12/99)

Copies are available at any department office or by mail, fax, or the Internet.

By Mail

Write to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8903, Madison, WI 53708-8903 or call (608) 266-1961.

Via Fax

Use the department's Fax-A-Form system by calling (608) 261-6229 from a fax telephone. Enter the retrieval code "10" plus the publication number.

Via Internet

Access the department's World Wide Web site at www.dor.state.wi.us, and click on "Publications."