

SALES AND USE TAX REPORT

2-00

June 2000

I. NEW TAX LAWS

The Wisconsin Legislature has enacted a few changes to the Wisconsin sales and use tax laws. The following are brief descriptions of those changes.

A. Exempt Sales to Local Cultural Arts District (effective June 1, 2000)

A sales and use tax exemption is provided for the gross receipts from sales to, and the storage by, use by, or other consumption of tangible personal property and taxable services by a local cultural arts district created under subchapter V of chapter 229 of the Wisconsin Statutes.

B. Exempt Sales of One-Time License or Right to Purchase Admissions to Professional Football Games (effective July 1, 2000)

A sales and use tax exemption is created for sales of a one-time license or similar right to purchase admissions to professional football games at a football stadium, as defined in sec. 229.821(6), Wis. Stats., with the following conditions:

- The license or right to purchase must be granted by a municipality, a local professional football stadium district, or a professional football team or related party, as defined in sec. 229.821(12), Wis. Stats.
- The person who purchases the license or right must be entitled, at the time of license or right transfer, to purchase admission to at least three professional football games in Wisconsin during one football season.

The exemption expires for sales of licenses or rights after December 31, 2003.

C. Allow Local Professional Football Stadium District to Impose Sales and Use Taxes (effective May 27, 2000)

A local professional football stadium district (District) may adopt a resolution to impose a 0.5% sales and use tax (football stadium tax) on sales of tangible personal property or taxable services, and the storage, use, or consumption of tangible personal property or taxable services, in the District's jurisdiction.

The District's jurisdiction is any county with a population at the date of the District's creation of more than 150,000 that includes the principal site of a stadium that is home to a professional football team, that is a member of a league of professional football teams that have home stadiums in at least 10 states and a collective average attendance for all league members of at least 40,000 persons per game over the 5 years immediately preceding the year in which the District is created, and that is approved by that league for use as a home stadium for that professional football team.

The imposition of the tax becomes effective on the first day of the month that begins at least 30 days after the certification of the approval of the resolution by the electors in the District's jurisdiction under sec. 229.824(15), Wis. Stats. For example, if a District adopts a resolution to impose the football stadium tax in Brown County and county residents vote at a referendum held on September 12, 2000, to approve the resolution, the football stadium tax will be effective on November 1, 2000.

The types of tangible personal property and services that are subject to the 5% state sales and use tax are also subject to the 0.5% football stadium sales and use taxes. The football stadium taxes will not be imposed on any types

of property or services that are not subject to the 5% state tax. If property or services are exempt from the 5% state tax, they are also exempt from the 0.5% football stadium taxes.

The Department of Revenue (DOR) is responsible for administering the District's tax. DOR has the authority to conduct audits, make assessments, issue refunds, and impose interest and penalties. DOR will distribute to the district 98.5% of the football stadium taxes reported, increased or decreased for refunds and other adjustments.

Note: If a resolution is adopted and a referendum passes resulting in the imposition of football stadium taxes, additional information about the taxes will be provided in a future *Sales and Use Tax Report*.

II. PAYING SALES AND USE TAXES BY ELECTRONIC FUNDS TRANSFER

The Department of Revenue is authorized to mandate the use of electronic funds transfer (EFT) for taxpayers whose aggregate of state, county, and special district or stadium sales and use tax due in the prior calendar year was \$10,000 or more. Payers mandated to pay by EFT will be notified by the department and will have 90 days to register for the EFT program. Payers of sales and use taxes will begin receiving notification in June 2000.

In addition, taxpayers not required to pay by EFT may elect to do so.

Important: Although sales and use taxes are paid by EFT, payers are still required to file a sales and use tax return (Form ST-12) to report the taxes paid. Form ST-12 should be mailed to the address that appears on the front of the form. It is not necessary to note on the Form ST-12 filed that payment was made by EFT, assuming that the EFT occurred prior to filing Form ST-12 with the department.

If you have questions specific to the department's EFT program, call the department's EFT information line in Madison at (608) 264-9918 or write to Wisconsin Department of Revenue, EFT Unit, P.O. Box 8912, Madison, WI 53708-8912.

To request EFT registration forms and instructions, write to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8951, Madison, WI 53708-8951, or call (608) 266-1961.

III. TIMELY FILE SALES AND USE TAX RETURNS

If you hold a Wisconsin seller's permit, use tax certificate, or consumer's use tax certificate, you must file a sales and use tax return (Form ST-12) for each "reporting period," even if you have no sales or use tax due for that period. Your "reporting period" will be either monthly, quarterly, or annually.

Form ST-12 will be mailed to you shortly before the end of your reporting period unless you file on a monthly basis. If you file returns monthly, three months of returns will be sent at one time. For example, returns for the months of July, August, and September will be sent to you at the end of July.

Forms ST-12 and instructions are mailed third class and may take up to two weeks for delivery. If you do not receive your return(s) and instructions within 15 days after the end of your reporting period (10 days for early monthly filers), please contact the Department of Revenue at (608) 266-2776 to request that a duplicate return be sent to you. Duplicate returns are mailed first class.

IV. NEW SALES AND USE TAX PUBLICATION

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

226 Golf Courses: How Do Wisconsin Sales and Use Taxes Affect Your Operations?
(3/00)

Copies of this publication and other sales and use tax publications 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 8951, Madison, WI 53708-8951 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."