

SALES AND USE TAX REPORT

3-00

September 2000

In This Issue

	Page
I. Football Stadium Tax Effective November 1, 2000	1
II. Paying Sales and Use Taxes by Electronic Funds Transfer.....	6
III. Motor Vehicle Dealers' Measure of Use Tax Increased to \$110.....	6

I. "FOOTBALL STADIUM TAX" EFFECTIVE NOVEMBER 1, 2000

A. How Does the Football Stadium Tax Affect You?

1. General

Beginning November 1, 2000, there is a 0.5% football stadium tax on the sale of and the storage, use, or consumption of tangible personal property and taxable services in Brown County.

The football stadium tax was created for the purpose of assisting the development of professional football stadium facilities in Wisconsin.

Retailers who make sales subject to the football stadium tax in Brown County will collect 5.5% sales tax on such retail sales — 5% state sales tax and 0.5% football stadium sales tax.

IMPORTANT: Retailers who are not located in Brown County may still be subject to the football stadium tax if they deliver property into that county or are in some other way "engaged in business" in Brown County.

Note: Keep this report as part of your records as a reference guide for the football stadium tax.

If you have questions about the football stadium sales or use tax, you may contact the department's Green Bay office:

Address . . . 200 N Jefferson St Suite 526
Green Bay WI 54301

Telephone . . . (920) 448-5179

Fax . . . (920) 448-5206

You may also contact our Madison office:

Write . . . Wisconsin Department of Revenue
PO Box 8902
Madison WI 53708-8902

Telephone . . . (608) 266-2776

Fax . . . (608) 267-1030

E-Mail . . . sales10@dor.state.wi.us

Visit our web site . . . www.dor.state.wi.us

2. Registration

Persons subject to the football stadium tax who are already registered for state sales and use tax purposes do not have to register further with the Department of Revenue for the football stadium tax. No special seller's permit is required.

3. Filing Returns

The football stadium tax will be reported on the Wisconsin Sales and Use Tax Return (Form ST-12) that you regularly file.

a. Monthly Filers

Monthly filers will be sent returns for October, November, and December 2000 near the end of October. These returns will have lines to enter the football stadium sales tax (line 7d) and use tax (line 11d).

Caution: Monthly filers should not enter football stadium tax on lines 7d and 11d of Form ST-12 for the month ending October 31, 2000. The football stadium tax is not effective until November 1, 2000. Because of printing constraints, Form ST-12 for the month ending October 31, 2000, will include lines 7d and 11d for football stadium sales and use tax, even though no tax should be reported on those lines.

b. Quarterly and Annual Filers

Returns for periods ending after September 30, 2000 include new lines for reporting football stadium sales tax (line 7d) and use tax (line 11d).

Caution: The football stadium tax is not effective until November 1, 2000. Form ST-12 for periods ending after September 30, 2000, will include lines 7d and 11d for football stadium sales and use tax. **Do not** include on lines 7d and 11d sales and purchases prior to November 1, 2000.

c. Seasonal Filers

If you make sales of tangible personal property or taxable services in Brown County which are subject to the football stadium tax and you are a seasonal filer (a person doing business for only a portion of the year), the sales and use tax returns previously sent to you may need to be replaced, effective for reporting periods ending on or after November 30, 2000.

A special mailing of new returns will be sent to seasonal retailers with a business address in Brown County. Seasonal retailers with business addresses outside Brown County who make sales in Brown County should review the sales and use tax returns previously sent to them for reporting periods ending on or after November 30, 2000. If the returns do not contain lines 7d and 11d for the football stadium tax, seasonal retailers should contact the department for new returns. Write or call Wisconsin Department of Revenue, PO Box 8902, Madison WI 53708-8902 (telephone (608) 266-2776).

B. What Types of Tangible Personal Property and Services Are Taxable?

The types of tangible personal property and services that are subject to the state 5% sales or use tax are also subject to the 0.5% football stadium sales or use tax.

If property or services are exempt from the 5% state tax, they are also exempt from the 0.5% football stadium tax.

C. What Sales Are Subject to the Football Stadium Sales Tax?

The 0.5% football stadium sales tax is imposed on the taxable gross receipts from retail sales or rentals of tangible personal property and taxable services in Brown County, with the following exception.

Exception: Sales of motor vehicles, boats, snowmobiles, mobile homes 45 feet or less in length, trailers, semi-trailers, all-terrain vehicles, and aircraft required to be registered or titled with Wisconsin, which are customarily kept in Brown County, are subject to the football stadium use tax (rather than the football stadium sales tax) as described in Part D.3. **Note:** Sales of new mobile homes more than 45 feet in length in Brown County are subject to the football stadium sales tax.

Example: Company A, located in Brown County, sells a computer to Company B in Brown County. The sale of the computer is subject to the state 5% sales tax and the 0.5% football stadium sales tax, for a total of 5.5%.

For a retail sale or rental to be subject to the football stadium sales tax, both of the following conditions must exist:

- The retailer who makes the retail sale or rental must be “engaged in business” in Brown County, and
- The sale or rental must have a “situs” in Brown County.

1. When is a retailer “engaged in business” in Brown County?

A retailer is “engaged in business” in Brown County, for purposes of the football stadium tax, if one or more of the following conditions exists:

- The retailer has a store in Brown County.
- The retailer owns business real property in Brown County.
- The retailer leases or rents out tangible personal property located in Brown County.
- The retailer maintains, occupies, or uses, permanently or temporarily, directly or indirectly, or through a subsidiary, agent, or other person, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business in Brown County.
- The retailer has a representative, agent, salesperson, canvasser, or solicitor operating in Brown County under the authority of the retailer or its subsidiary for the purpose of selling, delivering, or taking orders for any tangible personal property or taxable services in the county.
- The retailer services, repairs, or installs products in Brown County.
- The retailer delivers goods into Brown County in company-operated vehicles.
- The retailer performs construction activities in Brown County.

Note: The above list is not all-inclusive.

2. Where is the “*situs*” of a sale or rental?

a. *Situs of Sales of Property*

All retail sales of tangible personal property are completed at the time when and the place (“*situs*”) where, the seller or the seller’s agent transfers possession to the buyer or the buyer’s agent. A common carrier or the U.S. Postal Service is the agent of the seller, regardless of any f.o.b. point and regardless of the method by which freight or postage is paid.

Example: A person buys a radio for \$200 from a seller in Brown County. The buyer takes possession of the radio at the seller’s business location in Brown County and travels in his car to his home in Door County. Since the sale had a “*situs*” in Brown County (the place where possession transferred to the buyer), it is subject to the 0.5% football stadium sales tax of \$1.

Example: A person buys a piano for \$1,500 at a store in Door County; however, it is delivered to the buyer in Brown County by the seller’s company-operated vehicle. The seller is “engaged in business” in Brown County when delivering the piano into Brown County. The sale of the piano is subject to the football stadium sales tax of \$7.50.

b. *Situs of Rentals of Tangible Personal Property*

Rentals of Tangible Personal Property Other Than Moving Property: The “*situs*” of the rental is at the location of the property. For example, the rental of a computer has a *situs* at the location where the computer is kept by the lessee.

Rentals of Moving Property Used on Highways: Rented motor vehicles and other equipment used principally on the highway at normal highway speeds have a “*situs*” in the county in which they are customarily kept, with one exception. Drive-it-yourself motor vehicles and equipment used principally on the highway at normal highway speeds and used for one-way trips or leased for less than one month, have a “*situs*” in the county in which they come into the lessee’s possession.

Rentals of Other Moving Property: Except for moving property used on highways as described above, rentals of property that characteristically is moving property, including aircraft and boats, have a “*situs*” in a county if the rental property is used primarily in that county or is usually kept in that county when it is not used.

c. *Situs of Services*

Services have a “*situs*” at the location where they are furnished to the customer, with the following exceptions:

- Communication services have a “*situs*” where the customer is billed for the service if the customer calls collect or pays by credit card. The “*situs*” of mobile communication service involving more than one county is the county in which the call originates,

provided it is not a collect or credit card call.

- Towing services have a “*situs*” at the location to which the vehicle is delivered.
- Services performed on tangible personal property have a “*situs*” at the location where the serviced property is delivered to the buyer.

Example: An electrician repairs wiring on taxable equipment located in Brown County. This repair service was furnished in Brown County and is, therefore, subject to the 0.5% football stadium sales tax, regardless of the electrician’s business location.

Example: A TV repairman picks up a customer’s TV at her home in Door County, brings it to his shop in Brown County to repair the TV, and then delivers the TV back to the customer’s home in Door County. The repair service has a “*situs*” in Door County because the TV was delivered to the customer in Door County. No football stadium tax would be imposed. However, if the customer picks up the repaired TV at the repair shop, the tax would be imposed since delivery to the customer took place in Brown County.

D. When Does Football Stadium Use Tax Apply?

1. General

A football stadium use tax of 0.5% of the sales price is imposed upon every person storing, using, or consuming tangible personal property or taxable services in Brown County with the following exceptions:

- No football stadium use tax will be imposed if: (a) a receipt indicates a football stadium **sales** tax has been paid, or (b) a football stadium use tax has been paid as described in the “Contractors” and “Motor Vehicles, Boats, Etc.” Parts 2 and 3 below.
- No football stadium use tax will be imposed if the buyer purchased property in a sale consummated in another Wisconsin county or the baseball stadium district and the

property is later brought by the buyer into Brown County (see exceptions in “Contractors” and “Motor Vehicles, Boats, Etc.” Parts 2 and 3 below).

Note: If the buyer has paid a similar local tax in another state on the purchase of the same property or services, that tax may be credited against the football stadium use tax.

Example: A company located in Brown County purchases an office machine for \$10,000 from an Ohio seller who has not charged the 5% state sales tax or the 0.5% football stadium tax on the purchase. The machine is used in Brown County. The buyer is liable for 5% state use tax of \$500 and 0.5% football stadium use tax of \$50.

Example: A company located in Brown County purchases office supplies from a seller in Door County. The seller delivers the office supplies by common carrier to Brown County. The seller charges the 5% state sales tax but not the 0.5% football stadium tax because it is not engaged in business in Brown County (delivering by common carrier into a county does not by itself mean a seller is engaged in business in the county). The buyer is subject to the 0.5% football stadium use tax on the sales price of the office supplies.

2. Contractors

A football stadium use tax is imposed upon a contractor engaged in construction activities in Brown County, on the contractor’s purchase price of tangible personal property that is used in constructing, altering, repairing, or improving real property and that becomes a component part of real property in Brown County. However, there will be no football stadium use tax if the contractor has paid the 0.5% Wisconsin football stadium **sales** tax or similar local sales tax of 0.5% or more in another state, on the purchase of the property.

Note: If the buyer has paid the baseball stadium tax, or a similar local tax in another state of less than 0.5%, on the purchase of the same property or services, that tax may be credited against the football stadium use tax.

3. Motor Vehicles, Boats, Etc.

A football stadium use tax is imposed upon every motor vehicle, boat, snowmobile, mobile

home 45 feet or less in length, trailer, semi-trailer, all-terrain vehicle, or aircraft if that property:

- a. Must be registered or titled with the State of Wisconsin, and
- b. Is to be customarily kept in Brown County.

Purchases of motor vehicles, etc., from non-dealers: The buyer of the motor vehicle, boat, etc., required to be registered or titled in Wisconsin and which is to be kept in Brown County, must remit the 5% state use tax and 0.5% football stadium use tax to the state agency at the time of registering or titling it with the state agency.

Purchases from dealers: The dealer (seller) of motor vehicles, boats, etc., required to be registered or titled in Wisconsin and which are to be kept in Brown County, must collect the 5% state sales tax and 0.5% football stadium use tax from the buyer. The football stadium use tax will be reported on forms the dealer files with the Department of Revenue.

Rentals of motor vehicles, etc.: Retailers, regardless of whether or not they are dealers of motor vehicles, boats, etc., must report the football stadium sales or use tax from the rentals of such property.

E. Transitional Provisions

1. Services

Services subject to the 5% state sales tax are not subject to the football stadium tax if the services are billed to the customer and paid for before November 1, 2000, regardless of whether the service is furnished to the customer before or after November 1, 2000.

Services furnished before November 1, 2000, are not subject to the football stadium tax even though the services are billed or the customer pays on or after November 1, 2000.

2. Rentals

A lessor's rental receipts from tangible personal property that the lessor is obligated to furnish at a fixed price under a contract entered into before November 1, 2000, are not subject to the football

stadium sales tax until the contract is terminated, extended, renewed, or modified.

Note: The lessee is subject to the football stadium use tax on these lease or rental payments beginning on or after November 1, 2000, except when the lessor voluntarily reports the tax on such receipts for the convenience of the customer or when the lessor collects the tax because the contract is modified.

3. Contractors

Sales of building materials to contractors engaged in the business of constructing, altering, repairing, or improving real estate for others are not subject to the football stadium tax if both of the following conditions are met:

- a. The materials are affixed and are made a structural part of real estate, and
- b. The amount payable to the contractor, relating to those materials, is fixed without regard to the costs incurred in performing a written contract that was irrevocably entered into prior to November 1, 2000, or that resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before November 1, 2000.

F. Collecting Football Stadium Tax From Customers

A retailer who wishes to separately state the 5% state tax and 0.5% football stadium tax and pass these taxes on to customers may use the "bracket system." The bracket system is a method of collecting taxes designed so that the total amount of state and football stadium taxes collected from customers equals approximately 5.5%, if the retailer's sales fall equally throughout all the brackets. However, the state and football stadium sales tax payable by a retailer to the Department of Revenue is 5.5%, regardless of the amount of taxes collected from customers.

The bracket system used in computing the combined 5.5% state and football stadium tax which may be collected from customers appears on page 6 of this report.

If a retailer does not use the bracket system, the retailer is required to determine the amount of tax due on a transaction by multiplying the applicable

tax rate by the aggregate sales price of all taxable items sold in a single transaction. The tax rate may not be multiplied by the sales price of each item separately and then summed. The tax collectible from the customer should be rounded to the nearest cent by using the following procedures:

1. For amounts less than \$0.005, the amount should be rounded down to the next lowest penny.
2. For amounts equal to or greater than \$0.005, the amount should be rounded up to the next highest penny.

5.5% State and Football Stadium Tax	
(To be used when the sale is subject to the 5% state tax and 0.5% football stadium tax)	
Amount of Taxable Sales	State and Football Stadium Tax Collectible
\$.01 to \$.09.....	0¢
.10 to .27.....	1¢
.28 to .45.....	2¢
.46 to .63.....	3¢
.64 to .81.....	4¢
.82 to .99.....	5¢
1.00 to 1.18.....	6¢
1.19 to 1.36.....	7¢
1.37 to 1.54.....	8¢
1.55 to 1.72.....	9¢
1.73 to 1.90.....	10¢
1.91 to 2.09.....	11¢

The state and football stadium tax equals 11¢ for each \$2 of sales, plus the tax shown above for the fractional part of \$2.

G. Recordkeeping

Persons subject to the football stadium sales or use tax are required to keep records showing the amount of their taxable receipts and purchases subject to the football stadium sales or use tax.

The requirements for exemption certificates or other documentation for exemptions that apply to the 5% state sales or use tax also apply to the football stadium tax. An exemption certificate received by a seller as proof that a sale was exempt from the 5% state sales or use tax may be used as proof of exemption from the football stadium sales and use tax. You do not need a separate exemption certificate for the football stadium tax.

II. PAYING SALES AND USE TAXES BY ELECTRONIC FUNDS TRANSFER

Persons required to or who voluntarily remit Wisconsin sales and use taxes by Electronic Funds Transfer (EFT) must 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. Beginning with returns for reporting periods ending on or after September 30, 2000, a check box is located in the lower right-hand corner on the front page of Form ST-12 for persons to indicate whether payment is being made by EFT. Do not note on any other area of the Form ST-12 filed that payment is made by EFT.

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, PO Box 8912, Madison WI 53708-8912.

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

III. MOTOR VEHICLE DEALERS' MEASURE OF USE TAX INCREASED TO \$110

Wisconsin licensed motor vehicle dealers are permitted to report use tax on a certain dollar amount per plate per month for the use of motor vehicles assigned to certain employees and dealership owners.

Effective January 1, 2001, the amount subject to use tax is increased from \$106 to \$110 per plate per month. (Note: The use tax per plate per month is not \$110. Rather, \$110 is multiplied by the use tax rate (5%, 5.1%, 5.5%, or 5.6%) to arrive at the use tax due per plate per month.)

The reason for the increase to \$110 per plate is that sec. 77.53(1m)(a), Wis. Stats. (1997-98), requires that the Department of Revenue annually adjust the amount subject to use tax to reflect the annual percentage change in the U.S. Consumer Price Index for All Urban Consumers, U.S. City Average, as determined by the U.S. Department of Labor for the 12 month period ending June 30. The percentage change for the period July 1999 to June 2000 was 3.67% ($\$106 \times 1.0367 = \110 rounded to the nearest whole dollar).