

# SALES AND USE TAX REPORT

4-02

December 2002

## I. REMINDER: GREEN COUNTY TAX EFFECTIVE JANUARY 1, 2003

Beginning January 1, 2003, the 0.5% county tax will be in effect in Green County.

Sellers who are not located in Green County may still be subject to the Green County tax if they deliver property into Green County with their own vehicles or are in some other way “engaged in business” in the county.

Information about what sales and purchases are subject to county sales or use tax and transitional provisions that apply to Green County sellers can be found in Wisconsin Publication 201, *Wisconsin Sales and Use Tax Information*, which is available from any Department of Revenue office or online at [www.dor.state.wi.us/html/taxpubs.html#other](http://www.dor.state.wi.us/html/taxpubs.html#other).

## II. MOTOR VEHICLE DEALERS’ MEASURE OF USE TAX INCREASED TO \$116

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, 2003, the amount subject to use tax is increased from \$114 to \$116 per plate per month.** (Note: The use tax per plate per month is not \$116. Rather, \$116 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 \$116 per plate is that sec. 77.53(1m)(a), Wis. Stats. (1999-00), 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 2001 to June 2002 was 1.67% ( $\$114 \times 1.0167 = \$116$  rounded to the nearest whole dollar).

## III. CITY OF BAYFIELD ADOPTS PREMIER RESORT AREA TAX

Beginning January 1, 2003, the 0.5% premier resort area tax is in effect in the City of Bayfield.

Every retailer making retail sales or rentals of tangible personal property or taxable services that are subject to the 5% Wisconsin state sales tax is also subject to the 0.5% premier resort area tax on such sales or rentals if all three of the following conditions are met:

1. The retailer is “engaged in business” in a premier resort area.
2. The sale or rental has a “situs” in the premier resort area.
3. The retailer is classified in the Standard Industrial Classification Manual, 1987 Edition, published by the U.S. Office of Management and Budget, under one of the following industry numbers:

- 5331 – Variety stores.
- 5399 – Miscellaneous general merchandise stores.
- 5441 – Candy, nut, and confectionary stores.
- 5451 – Dairy product stores.
- 5461 – Retail bakeries.
- 5541 – Gasoline service stations.
- 5812 – Eating places.
- 5813 – Drinking places.
- 5912 – Drug stores and proprietary stores.
- 5921 – Liquor stores.
- 5941 – Sporting goods stores and bicycle shops.
- 5946 – Camera and photographic supply stores.
- 5947 – Gift, novelty, and souvenir shops.
- 7011 – Hotels and motels.
- 7032 – Sporting and recreational camps.
- 7033 – Recreational vehicle parks and campsites.

- 7948 – Racing, including track operation.
- 7992 – Public golf courses.
- 7993 – Coin-operated amusement devices.
- 7996 – Amusement parks.
- 7999 – Amusement and recreational services, not elsewhere classified.

If property or services are exempt from the 5% Wisconsin state sales tax, they are also exempt from the 0.5% premier resort area tax.

**Caution:** Retailers who are not located in a premier resort area may still be subject to the premier resort area tax if they deliver property or perform taxable services in the premier resort area or are in some other way engaged in business in the premier resort area.

The premier resort area tax is not imposed on the buyer. However, the tax imposed on the retailer may be passed on to the buyer. The buyer does not become liable to the department for the premier resort area tax if the retailer fails to charge the tax to the buyer.

For more information on the premier resort area tax, refer to Wisconsin Publication 403, which is available from any Department of Revenue office or on-line at [www.dor.state.wi.us/html/taxpubs.html#other](http://www.dor.state.wi.us/html/taxpubs.html#other).

#### **IV. FILE AND PAY SALES AND USE TAXES ELECTRONICALLY**

If you do not already file and pay your Wisconsin sales and use taxes electronically, consider doing so today.

##### ***Electronic Filing***

Sales and use tax returns are filed electronically using the department's Sales Internet Process (SIP), a secure web site. Registrants exercise control over who can view, prepare, or file their returns.

Signed authorizations (Form S-002) are necessary for a business owner or officer to grant access to the secure web site for the individuals(s) that they designate.

The department anticipates that over the next year, all sales and use tax registrants will be notified and required to file their sales and use tax returns electronically, unless it creates an undue hardship.

Additional information is available at [www.dor.state.wi.us/eserv/rule.html#sales](http://www.dor.state.wi.us/eserv/rule.html#sales) or you may contact the department at (608) 261-6261.

##### ***Electronic Funds Transfer (EFT)***

If you choose to pay by EFT, the payment options available are the Automated Clearing House (ACH) debit and ACH credit.

- **ACH Debit** - The ACH debit method allows you to transfer funds by instructing the state to electronically debit a bank account you control by calling a toll-free telephone number. There is no cost for this type of payment. This option is recommended because of the simplicity and cost savings to you.
- **ACH Credit** - The ACH credit method allows you to transfer funds by instructing your financial institution to debit your account and credit the state's bank account. Financial institutions may charge a fee for making ACH credit payments.

To begin making EFT payments you must first register with the Department of Revenue. To request EFT registration materials you have the following options:

- Fill in the online form at <https://prd2p.it.state.wi.us/dor/eserv/eftreg.html>.
- Send your name, address, federal employer identification number, and social security number to the Forms Request Office, Wisconsin Department of Revenue, PO Box 8903, Madison WI 53708-8903.
- Call (608) 264-9918.

More information on EFT can be found online at [www.dor.state.wi.us/eserv/eft1.html](http://www.dor.state.wi.us/eserv/eft1.html).

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.

#### **V. DID YOU KNOW . . . ?**

Charges for snowplowing, sanding, and salting roads, sidewalks, and parking lots are **not** subject to Wisconsin sales or use tax. The person providing the service is subject to Wisconsin sales or use tax on his or her purchases of sand and salt used in providing the service.