

# SALES AND USE TAX REPORT

## IMPORTANT NOTICE: The *Sales and Use Tax Report* is going paperless!



Beginning in January of 2010, the *Sales and Use Tax Report* will no longer be issued on paper. The *Sales and Use Tax Report* will continue to be available on the Department of Revenue’s web site.

**Don’t miss future issues of the *Sales and Use Tax Report*.** Subscribe to the sales and use tax electronic mailing list to receive notification when a new *Sales and Use Tax Report* has been posted to the Department of Revenue’s web site. The notification will include a link to the reports. Subscribers will also receive important sales and use tax updates.

Subscribe at [www.revenue.wi.gov/html/lists.html](http://www.revenue.wi.gov/html/lists.html), or go to the Department’s web site at [www.revenue.wi.gov](http://www.revenue.wi.gov); click the link on the left side for “E-Services,” then click any link titled “Electronic Mailing Lists.” You will be provided with a number of mailing lists to which you may subscribe. (Notification of new *Sales and Use Tax Reports* will be sent to subscribers of the “Sales & Use Tax” subscriber list.) There is no charge for subscriptions.

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## I. CLARK COUNTY ADOPTS COUNTY TAX

Beginning January 1, 2009, the 0.5% county tax will be in effect in Clark County.

Information about which sales and purchases are subject to county sales or use tax and transitional provisions that apply to Clark County sellers can be found in Wisconsin Publication 201, *Wisconsin Sales and Use Tax Information*.

Important: Sellers who are not located in any of the 61 counties that have adopted the county tax may still be subject to the county tax if they deliver property into any of these counties with their own vehicles or are in some other way “engaged in business” in any of the 61 counties.

Following is a list of the 61 counties that have adopted the county tax and the effective date of each county's tax.

County	Effective Date	County	Effective Date
Adams	1/1/94	Marathon	4/1/87
Ashland	4/1/88	Marinette	10/1/01
Barron	4/1/86	Marquette	4/1/89
Bayfield	4/1/91	Milwaukee*	4/1/91
Buffalo	4/1/87	Monroe	4/1/90
Burnett	4/1/89	Oconto	7/1/94
Chippewa	4/1/91	Oneida	4/1/87
Clark	1/1/09	Ozaukee*	4/1/91
Columbia	4/1/89	Pepin	4/1/91
Crawford	4/1/91	Pierce	4/1/88
Dane	4/1/91	Polk	4/1/88
Dodge	4/1/94	Portage	4/1/89
Door	4/1/88	Price	1/1/93
Douglas	4/1/91	Richland	4/1/89
Dunn	4/1/86	Rock	4/1/07
Eau Claire	1/1/99	Rusk	4/1/87
Florence	7/1/06	St. Croix	4/1/87
Forest	4/1/95	Sauk	4/1/92
Grant	4/1/02	Sawyer	4/1/87
Green	1/1/03	Shawano	4/1/90
Green Lake	7/1/99	Taylor	7/1/99
Iowa	4/1/87	Trempealeau	10/1/95
Iron	4/1/91	Vernon	1/1/97
Jackson	4/1/87	Vilas	4/1/88
Jefferson	4/1/91	Walworth	4/1/87
Juneau	4/1/92	Washburn	4/1/91
Kenosha	4/1/91	Washington*	1/1/99
La Crosse	4/1/90	Waupaca	4/1/89
Lafayette	4/1/01	Waushara	4/1/90
Langlade	4/1/88	Wood	1/1/04
Lincoln	4/1/87		

\*County also has a 0.1% baseball stadium tax.

Counties that have **not** adopted the county tax are:

#### Counties Without County Tax

Brown**	Outagamie
Calumet	Racine*
Fond du Lac	Sheboygan
Kewaunee	Waukesha*
Manitowoc	Winnebago
Menominee	

\*County has a 0.1% baseball stadium tax

\*\*County has a 0.5% football stadium tax

## II. MOTOR VEHICLE DEALERS' MEASURE OF USE TAX INCREASED TO \$140

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, 2009, the amount subject to use tax is increased from \$133 to \$140 per plate per month. (**Note:** The use tax per plate per month is not \$140. Rather, \$140 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 \$140 per plate is that sec 77.53(1m)(a), Wis. Stats. (2005-06), 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 2007 to June 2008 was 5.02% ( $\$133 \times 1.0502 = \$140$  rounded to the nearest whole dollar).

## III. WISCONSIN SUPREME COURT RULES IN COMPUTER SOFTWARE CASE

On July 11, 2008, the Wisconsin Supreme Court issued a ruling in the case of *Wisconsin Department of Revenue vs. Menasha Corporation*. In a 4-3 decision, the Court affirmed the Wisconsin Tax Appeals Commission decision that Menasha Corporation is entitled to a sales tax refund for taxes paid on custom computer software. A summary of the Menasha decision appears on pages 23 to 26 of *Wisconsin Tax Bulletin 157* (July 2008), which can be accessed at [www.revenue.wi.gov/ise/wtb/157art.pdf](http://www.revenue.wi.gov/ise/wtb/157art.pdf).

In the near future, the Department of Revenue will be posting information on its web site to assist in determining whether com-

puter software is subject to sales and use tax. This information will be available at [www.revenue.wi.gov/index.html](http://www.revenue.wi.gov/index.html).

#### **IV. SALES TO FOREIGN OFFICIALS**

Sales of tangible personal property and taxable services to certain foreign officials are exempt from Wisconsin sales or use tax, as provided by federal law. Not all foreign officials are entitled to tax exemption because this privilege is based on reciprocity the Department of State has with other foreign missions. The Department of State, Office of Foreign Missions, issues a Diplomatic Tax Exemption Card to qualifying foreign officials.

For identification purposes, the official's name, photograph, mission employed by, expiration date, and protocol identification number are provided on the card. The level of tax exemption is indicated by the color of the card and the written explanation in the colored box. The cards with a blue stripe exempt the bearer from all state and local taxes nationwide.

Retailers making exempt sales to foreign officials must keep a record of the personal identification number on the official's Diplomatic Tax Exemption Card as proof that the sales are exempt from Wisconsin sales and use taxes. The Office of Foreign Missions includes on its web site a database that allows retailers to verify the tax-exempt status of foreign officials. It may be accessed at [www.state.gov/ofm/resource/ihv/20290.htm](http://www.state.gov/ofm/resource/ihv/20290.htm).

#### **V. CREDIT FOR SALES AND USE TAXES PAID TO OTHER STATES AND THEIR LOCAL UNITS OF GOVERNMENT**

Persons located in Wisconsin, including individuals, corporations, partnerships, and limited liability companies, may purchase and take possession of items outside of Wisconsin and then store, use, or consume the items in Wisconsin. These persons may be required to pay the sales or use tax of another state and/or a local unit of government when taking possession of the items in the other state.

Wisconsin sales and use tax law provides a credit for sales or use taxes that are properly due and paid to another state and/or local unit of government on property or services purchased outside Wisconsin and subsequently stored, used, or consumed in Wisconsin. The credit is allowed against (but not in excess of) the total of Wisconsin state, county, and special district (baseball stadium and football stadium) use taxes imposed on the same property or services purchased in the other state.

Therefore, when computing the credit, the state and local taxes paid to the other state are combined. This amount is offset against the combined state and local sales or use taxes imposed by the State of Wisconsin and any local units of government in Wisconsin, on the same transaction.

**NOTE:** Local exposition district taxes are only imposed on the sales of certain property and services. No local exposition **use** tax is imposed. Premier resort area taxes are only imposed on the **sales** of tangible personal property and taxable services. No premier resort area **use** tax is imposed.)

The tax release titled "Credit for Sales and Use Taxes Paid to Other States and Their Local Units of Government," beginning on page 28 of *Wisconsin Tax Bulletin* #157 (July 2008), provides charts and examples detailing how this credit is applied to commonly encountered situations. This tax release can be accessed at [www.revenue.wi.gov/ise/wtb/157tr.pdf](http://www.revenue.wi.gov/ise/wtb/157tr.pdf).

#### **VI. FILM PRODUCTION SERVICES CREDIT CLARIFIED**

Sections 71.07(5f)(b)3., 71.28(5f)(b)3., and 71.47(5f)(b)3., Wis. Stats. (2005-06), provide, for tax years beginning after December 31, 2007, a nonrefundable credit against the claimant's income or franchise tax liability.

The amount of the credit is equal to the taxes imposed under secs. 77.52 and 77.53, Wis. Stats., that the claimant paid in the taxable year on the purchase of tangible personal

property and taxable services that are used directly in producing an accredited production in this state, including all stages from the final script stage to the distribution of the finished production.

The credit is allowed for the 5% state sales and use tax. It is not allowed for any local taxes or fees.

## **VII. FILING SALES AND USE TAX RETURNS ELECTRONICALLY**

The Wisconsin Department of Revenue (DOR) has several different ways for you to electronically file your Wisconsin Sales and Use Tax Returns. Filing and paying your taxes electronically makes the filing process easier for you! The electronic system provides confirmation receipts for your returns and payments, checks your math, and ensures that returns have all the required information. These returns are less likely to be adjusted, which reduces interest charges and speeds up processing.

### ***Electronic Filing and Payment Options Available for Sales and Use Tax Return Filing***

#### **Sales TeleFile**

You can file your Wisconsin sales and use tax return with any touch-tone telephone. This program accepts four payment types: Electronic Funds Transfer (EFT), credit card, check, or money order. To use TeleFile, obtain a Sales TeleFile worksheet and payment voucher under the “Businesses” section of the DOR web site. When you have completed the worksheet, call (608) 261-5340 in Madison or (414) 227-3895 in Milwaukee to actually file your return.

#### **Sales Internet Process**

Sales Internet Process (SIP) is a free, Internet-based electronic filing application for sales and use tax. It performs calculations, provides a history of all your electronically filed returns, issues a receipt, and allows you to make your tax payment by EFT, check, or money order. To use SIP you will need to

apply for and obtain a logon ID and password when you begin filing your tax returns at [www.salestax.revenue.wi.gov](http://www.salestax.revenue.wi.gov).

#### **File Transmission**

This program is a service for taxpayers using approved private vendors’ software or who have the technical expertise to create a file in XML format. File transmission places return data into a file format that can be directly processed into the DOR system. Using secure transmission over the Internet you can submit an EFT payment within the same file. You will receive an e-mail acknowledgement to confirm receipt of a successful file transmission. Information about file transmission can be found in the “Businesses” section of the DOR web site.

#### **Electronic Payments**

Please note that paying by Electronic Funds Transfer requires a separate registration. DOR accepts EFT for most types of tax payments. It is easy to use and you are issued an acknowledgement that your payment was received, which is a service that cannot be provided for checks and money orders.

EFT also enables you to “warehouse” your payment in advance until the actual due date. An EFT online registration form is provided on the DOR web site in the “Businesses” section. Complete the form and register by telephone at (608) 264-9918. Payments can be made either online or by telephone.

#### **Questions?**

More information on all of the above services can be found under the “Businesses” or “E-Services” sections of the DOR web site at [www.revenue.gov.wi](http://www.revenue.gov.wi).

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