

SALES AND USE TAX REPORT

4-08

December 2008

IMPORTANT NOTICE ABOUT THE SALES AND USE TAX REPORT!



The report that you are currently reading 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.

NOTE: This article relates **ONLY** to the *Sales and Use Tax Report*. It **does not** relate to your *Wisconsin Sales and Use Tax RETURN*.

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, or go to the department's web site at 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.

I. REMINDER - CLARK COUNTY TAX BECOMES EFFECTIVE JANUARY 1, 2009

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

Please see *Sales and Use Tax Report* 3-08 (September 2008) for additional information.

II. NEW ONLINE APPLICATION FOR BUSINESSES AVAILABLE FEBRUARY 2009

Beginning in February 2009, a new online service called "My Tax Account" will be available to business taxpayers. *My Tax Account* will allow

business taxpayers and their authorized representatives to interact with their accounts online.* *My Tax Account* will allow business customers to:

- E-file tax returns for: sales and use, premier resort, local exposition center, rental vehicle and withholding taxes;
- Make payments through: electronic funds transfer or credit card;
- View return filing and payment history, demographics, balance due;
- View and reprint selected DOR correspondence; and
- Submit requests for demographic changes and installment payment agreements.

***NOTE:** After a transition period, SIP, DOR’s existing application for online filing of sales and use tax returns, will be discontinued. Current SIP users will be notified how their authorized access to SIP will be transitioned to *My Tax Account*. XML file transmission options will remain in place.

III. CYLINDERS RENTED TO TRANSPORT EXEMPT GAS – CLARIFICATION OF PREVIOUS ARTICLE

This article replaces the article by the same name published in Sales and Use Tax Report 2-08 (June 2008). Clarification is provided in this article to include information about rentals of cylinders for periods greater than 30 days. While silent with respect to the number of days in a lease period, the previous article only addressed cylinder rentals of periods 30 days or less.

An additional charge for the “rental” of a cylinder used to transfer a gas that is exempt from Wisconsin sales and use tax is exempt from sales or use tax if the cylinder is retained for a period of 30 days or less. Such charge is part of the seller’s gross receipts from its sale of the gas and, therefore, exempt from sales or use tax. It does not matter if the charge for the “rental” of the cylinder is separately stated or not separately stated on the customer’s invoice or if the invoice for the cylinder “rental” is issued on a different date than the invoice for the sale of the exempt gas.

CAUTION: This tax treatment applies only to cylinders that are used to *transfer* exempt gas from the vendor’s location to its customer’s location. The following charges for cylinders are for taxable rentals, unless some other exemption applies:

- The charge for a cylinder if the cylinder is refilled by the vendor or another vendor within a cylinder rental period of 30 days or less and the cylinder remains with the customer (that is, the cylinder is no longer being used to transfer the gas to the vendor’s customer).
- The additional charge that the customer is required to pay for not returning an empty cylinder if the cylinder no longer holds the exempt gas that was transferred to the customer (that is, a lease period of 30 days or less was extended to include a period in

which merchandise is not transferred to the customer).

- The additional charge made to a customer for retaining a cylinder beyond a 30-day period, regardless of whether the gas transported in the cylinder is taxable or exempt.
- A seller’s monthly charge (including the charge for the first month/30 days) for a cylinder *that remains indefinitely* on the customer’s premises, regardless of whether the cylinder is initially used to transfer the gas to the customer.

IV. OFFICE CLOSINGS

Some of the Department of Revenue’s offices are closing. For a listing of Department of Revenue offices and their current hours, please see the department’s web site at www.revenue.wi.gov/faqs/ise/address.html.

Assistance and information are also available on the department’s web site at www.revenue.wi.gov.

V. SNOWPLOWING, SANDING, AND SALTING SERVICES

Now that winter is upon us, it’s important to know that charges for the following are not subject to Wisconsin sales or use tax:

- Snowplowing
- Sanding and salting roads, sidewalks, or parking lots

Example 1: A person contracts with Company A to have its driveways and parking lots plowed and sanded during the winter months. Company A charges the person by the hour. The charge by Company A is not subject to sales tax. Company A must pay Wisconsin sales or use tax on its purchase of the sand used in providing the service.

Example 2: A person contracts with Company B to have its driveways and parking lots plowed and salted during the winter months. Company B charges the person based on the amount of salt used. The charge by Company B is not subject to sales tax. Company B must pay Wisconsin sales or use tax on its purchase of the salt used in providing the service.