

Wisconsin Department of Revenue

SALES AND USE TAX REPORT

2-09

June 2009

IMPORTANT! THIS IS YOUR LAST PAPER REPORT!

The Sales and Use Tax Reports will continue to be available electronically on the Department of Revenue's web site. Don't miss an issue!

- Subscribe **now** to the sales and use tax electronic mailing list to receive notification when a new *Sales and Use Tax Report* is available at www.revenue.wi.gov/html/lists.html.
- View all *Sales and Use Tax Reports* at www.revenue.wi.gov/ise/sales/index.html.

NOTE: You were previously notified that the *Sales and Use Tax Reports* would go "paperless" in January 2010. In order to obtain the efficiencies associated with electronic commerce, this date has been moved up. Future reports will no longer be printed on paper.

I. ELECTRONIC FILING MANDATE LETTERS TO BUSINESSES

Electronic Filing Mandate Notice to Businesses

As part of the Wisconsin Department of Revenue's (DOR) efforts to become more efficient and increase electronic filing, DOR is notifying businesses of their requirement to electronically file their sales and use tax returns. The Wisconsin Administrative Code provides that DOR may require any sales and use tax return (ST-12) be filed by electronic means. There are provisions to request a waiver if the requirement to electronically file causes an undue hardship. Businesses should also consider paying their tax owed by electronic means through direct debit/withdrawal, ACH Credit or credit card. Businesses have a number of choices to e-file and e-pay found at www.revenue.wi.gov (i.e., *My Tax Account*, TeleFile, e-file transmission). See pages 3 and 4 for more information about these options.

No More Paper Sales and Use Tax Returns (Form ST-12) will be Mailed

The Wisconsin Department of Revenue will no longer mail paper *Sales and Use Tax Returns* (Form ST-12). If you need a paper copy of Form ST-12, Schedule CT or Form ST-12 instructions, go to www.revenue.wi.gov/forms/sales/index.html.

II. REMINDER: THE SALES INTERNET PROCESS TO BE DISCONTINUED

The Sales Internet Process (SIP) will be discontinued in June 2009. The Wisconsin Department of Revenue (DOR) is converting to a new online system for business taxes, known as *My Tax Account*. You are required to register for a new logon ID for the new system, which will be replacing SIP. For instructions on how to register for *My Tax Account*, see page 3. To view "Frequently Asked Questions," visit the department's web site at www.revenue.wi.gov. Please note that the TeleFile appli-

cation and XML e-file transmission process for filing and paying sales and use tax returns will remain available.

My Tax Account will allow you to file returns and pay amounts due for sales and use tax, withholding tax, premier resort area tax, local exposition center tax, and state rental vehicle fees. You will also be able to view your filing and payment history for these tax types, reprint selected correspondence from DOR, and initiate requests to DOR, such as changing your address or entering into an installment agreement.

III. WISCONSIN TO ALLOW AMNESTY FOR CERTAIN SELLERS REGISTERING UNDER THE STREAMLINED SALES AND USE TAX AGREEMENT

Wisconsin will be offering a sales tax amnesty program to all businesses that are not currently registered to collect Wisconsin sales tax, if certain eligibility requirements are met. A business interested in participating in this amnesty program must voluntarily register to collect and remit not only Wisconsin sales taxes, but also any sales taxes due on the sales they make in any of the states whose laws have been found to be in compliance with the requirements of the Streamlined Sales and Use Tax Agreement (SSUTA). The Wisconsin amnesty period will begin July 1, 2009, the date Wisconsin becomes an associate member of the Streamlined Sales Tax Governing Board (SSTGB), and will end September 30, 2010.

If you meet the eligibility requirements and register as described below, you will not be liable for any Wisconsin sales tax on sales you made prior to your registration. (Note: The sales tax amnesty program does **not** apply to (1) any Wisconsin taxes that you owe in your capacity as a purchaser (i.e., use tax due on purchases you made) or (2) any Wisconsin sales taxes that you have previously collected from your customers, regardless of whether or not you have remitted those taxes to Wisconsin.)

Eligibility and Participation Requirements

You are eligible for the Wisconsin sales tax amnesty program, unless one or more of the following criteria apply to you:

- You are currently registered to collect Wisconsin sales tax;
- You were registered to collect Wisconsin sales tax at any time during the previous 12 months;
- You have received a notice of the commencement of an audit, unless that audit is fully resolved, including any related administrative or judicial processes (i.e., appeals); or
- You have committed or been involved in a fraudulent act or an intentional misrepresentation of a material fact.

To participate in the Wisconsin sales tax amnesty program, you must:

- Register between July 1, 2009 and September 30, 2010 to collect sales tax for Wisconsin and all of the other SSUTA member states using the Streamlined Sales Tax Central Registration System which is available at: <https://www.sstregister.org/sellers/Entry.aspx>; and
- Agree to collect and remit sales tax to Wisconsin and all of the other SSUTA member states (including those states that join the SSUTA after you register) for at least 36 months after the date of registration.

If you have any questions regarding the sales tax amnesty program required under the SSUTA, please visit the SSTGB's web site at:

www.streamlinedsalestax.org/amnesty.html. If you have questions specific to Wisconsin's sales tax amnesty program, please contact Craig Johnson at (608) 634-6794 or send an e-mail to craig.johnson@revenue.wi.gov.

IV. EXEMPTION FOR CATALOGS

Effective April 1, 2009, catalogs, and the envelopes in which the catalogs are mailed, that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms are exempt from Wisconsin sales and use taxes under sec. 77.54(25m), Wis. Stats. (2007-08). This exemption includes catalogs that are mailed to addresses in and outside of Wisconsin. Prior to April 1, 2009, an exemption applied to certain printed advertising material that was transported outside Wisconsin by the purchaser for use solely outside Wisconsin (sec. 77.54(25), Wis. Stats. (2007-08)).

“Catalog” means a printed and bound, stitched, sewed, or stapled book containing a list and description of property or services for sale, regardless of whether a price is specified. The word “book” is not defined in Chapter 77 of the Wisconsin Statutes; therefore, we look to the dictionary definition. “Book,” is defined in The New American Heritage Dictionary of the English Language (2006 Edition), to mean, in part, “[a] set of written, printed, or blank pages fastened along one side and encased between protective covers.”

Examples:

- A brochure that is folded, but not bound, stitched, sewed, or stapled does not qualify for exemption, since the brochure is not a catalog.
- A multiple-page description of property for sale that is stapled in the corner qualifies for exemption as a catalog if it has a front and back cover and at least two sheets that are enclosed between the front and back cover.
- A cover letter or insert that is mailed with or inserted in a catalog, but is does not become a part of the catalog, does not qualify for exemption, unless the cover letter or insert is a catalog in itself.
- An envelope that is used to mail both an exempt catalog and other items that are not catalogs qualifies for exemption. The exemption does not require that the envelope be used exclusively to mail an exempt catalog.

Paper Used for Catalogs

1. Paper used in the manufacture of catalogs that are sold to customers is exempt from Wisconsin sales and use taxes under sec. 77.54(2), Wis. Stats. (2007-08). Paper used in the manufacture of catalogs that are *given away* (rather than sold) does not qualify for this exemption, since the exemption requires that the tangible personal property manufactured (i.e., catalogs) be destined for sale. (The paper may, however, be exempt under 2, below.)

NOTE: Paper used in the manufacture of shoppers guides, newspapers, and periodicals is exempt from Wisconsin sales and use taxes under sec. 77.54(2m), Wis. Stats. (2007-08), regardless of whether such shoppers guides, newspapers, and periodicals, as defined in sec. 77.54(15), Wis. Stats. (2007-08), are sold or given away.

2. Paper used in the manufacture of catalogs that are transported and used solely outside Wisconsin is exempt from Wisconsin sales and use taxes under sec. 77.54(43), Wis. Stats. (2007-08). Paper used in the manufacture of catalogs that *are not* transported and used solely outside Wisconsin does not qualify for this exemption.

The tax treatment in #1 and #2, above, did not change with the April 1, 2009 catalog exemption changes.

Printing Services for Catalogs

Prior to April 1, 2009, tax did not apply to the printing or imprinting of tangible personal property which was subsequently transported outside the state for use outside the state by the consumer for advertising purposes. Effective April 1, 2009, the tax does not apply to the services of *producing, fabricating, processing, printing, or imprinting* that results in printed material, catalogs, or envelopes that are exempt under sec. 77.54(25) or (25m), Wis. Stats. (2007-08), if the consumer furnishes the materials (e.g., paper).

My Tax Account

My Tax Account is a new online application that will allow businesses to file returns and pay amounts due for sales and use tax, withholding tax, premier resort area tax, local exposition center tax, and state rental vehicle fees. You will also be able to view your filing and payment history for these tax types, reprint selected correspondence from the Department of Revenue (DOR), and initiate requests to DOR, such as changing your address or entering into an installment agreement. You can access *My Tax Account* at www.revenue.wi.gov.

Here are the steps you'll need to take to get started using *My Tax Account*:

Step 1: Obtain a Web Access Management System (WAMS) ID

Each *My Tax Account* user needs his or her own personal WAMS ID. You will associate the business to your WAMS ID later. See Self Registration at <https://on.wisconsin.gov/WAMS/home> and click on "Accept" at the bottom of that page.

TIPS:

- The address fields for the WAMS application are not required fields.
- An owner of multiple businesses will need multiple WAMS IDs for registration purposes (one for each business).
- Each WAMS ID requires a unique e-mail address.
- If you held a WAMS ID previously, but don't recall your information, go to the "Account Recovery" link on the Self Registration page.

Step 2: Associate your WAMS ID with your business.

Log into *My Tax Account* at <https://tap.revenue.wi.gov> using your WAMS ID. Complete the Customer Access Request using the business information. Sole proprietors may use their personal information.

Step 3: Add your business tax accounts.

After completing the Customer Access Request, select "Next." Upon successfully requesting access to one of your business tax accounts, you will receive access to all of your business tax accounts. This access may be limited by the individual that holds the "Master" access level for the business.

Step 4: Use the system.

After completing the steps above, you may log into *My Tax Account* at any time through <https://tap.revenue.wi.gov>. To file your return and pay an amount due, click on the desired account number listed below the "Authorized Web Accounts" heading.

TIPS:

- You must submit two requests for each tax type (including withholding): One request to submit the return (File Now or File a Return link) and one request to submit the payment.
- You may view what you've submitted at the "View Requests" link.
- Payments submitted via *My Tax Account* will show on your account in 2-5 business days.

For help with using *My Tax Account*, first review the Frequently Asked Questions (FAQ's) at www.revenue.wi.gov. If your questions aren't answered, you may e-mail your question(s) to dormytaxaccounthelp@revenue.wi.gov, mail to Business Tax Technical Assistance, Wisconsin Department of Revenue, Mail Stop 5-77, P O Box 8949, Madison, WI 53708-8949, or call 608-261-5338.

Wisconsin TeleFile

TeleFile allows businesses to file their Wisconsin *Sales and Use Tax Returns* through the use of a touch tone telephone. Within the same phone call, you are also able to pay any tax due by a direct withdrawal from your bank account. A confirmation number is provided at the end of your call to validate your filing.

Here are the steps you'll need to take to get started on using TeleFile:

Step 1: Complete the *Sales and Use Tax Worksheet* at <https://ww2.revenue.wi.gov/TeleSIP/application>. Completing the worksheet before calling will help you have the necessary information to accurately file your *Sales and Use Tax Return* and pay any tax due.

Step 2: Call TeleFile to file your *Sales and Use Tax Return* at 608-261-5340 (Madison) or 414-227-3895 (Milwaukee). Long distance charges will apply, if applicable.

Step 3: Use your completed worksheet as a reference during the call to enter your sales and use tax information.

TIPS:

- If you have no entry for a line, enter zero.
- Enter total amounts, including cents, and press the # (pound) key. Do not enter decimal points. For negative numbers, press the * (star) key first.
Examples: Enter \$352.95 as 35295#
 Enter \$353 as 35300#
 Enter negative \$352.95 as *35295#
 Enter negative \$353 as *35300#
 Enter 0 as 0#
- To stop filing your return at any time, simply hang up.

Step 4: Listen when TeleFile asks you to confirm your entries as correct.

Step 5: Change incorrect entries before going to the next line or you will need to hang up and start over.

Step 6: Write the calculated amounts in the shaded areas on the worksheet when TeleFile provides them to you.

Step 7: Have your bank account information ready to pay any tax due by direct withdrawal.*

Step 8: Follow the TeleFile voice instructions to pay, submit, and file.

Step 9: Write your confirmation number on the worksheet. Keep your completed worksheet for your records.

Note: Your return will not be filed unless you confirm at the end of the call that you wish to file.

*If you don't pay your tax due through direct withdrawal at the same time as you file, you can pay electronically through the Department of Revenue's online system called *My Tax Account* or you may pay by credit card at www.revenue.wi.gov/faqs/crcard.html. If you pay by check or money order, be sure to use the payment voucher you generate at <https://ww2.revenue.wi.gov/TeleSIP/application> to ensure proper handling.

For help with using TeleFile, first review the Frequently Asked Questions (FAQ's) at www.revenue.wi.gov/eserv/e-sales.html. If your questions aren't answered, you may e-mail your question(s) to sales10@revenue.wi.gov, mail to Business Tax Technical Assistance, Wisconsin Department of Revenue, Mail Stop 5-77, P O Box 8949, Madison, WI 53708-8949, or call 608-266-2776.