



# SALES AND USE TAX REPORT

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### **I. BROWN COUNTY FOOTBALL STADIUM DISTRICT SALES TAX ENDS SEPTEMBER 30, 2015**

The 0.5% Brown County football stadium district sales and use tax ends on September 30, 2015. Retailers may not collect this tax on sales made on or after October 1, 2015.

Effective October 1, 2015, a 5% (rather than 5.5%) sales and use tax rate will apply to taxable sales and taxable purchases made in Brown County. The department is in the process of developing and publishing notifications and guidance for all persons who may be affected by this change. [↗](#)

### **II. CAR WASH SERVICES - NEW FACT SHEET**

Car wash services are taxable, unless an exemption applies. Taxable car wash services include manual, coin-operated, self-service, and automatic car washes.

A new fact sheet for [Car Wash Services \(Fact Sheet 2108\)](#) has been posted to the department's website. The fact sheet explains which sales by a car wash operator are subject to Wisconsin sales and use tax and which are exempt from tax. The fact sheet also discusses how coupons, discounts, gift certificates, and product vouchers are taxed, as well as which purchases made by a car wash operator are taxable. [↗](#)

### **III. SPRING CLEANING IS HERE! CARPET AND UPHOLSTERY CLEANING IS TAXABLE**

Cleaning tangible personal property is a taxable service. Therefore, charges for upholstery and rug cleaning are subject to sales tax, since upholstery and rugs are tangible personal property.

**Example:** Individual hires Cleaning Company to steam-clean the upholstery on her sofa. Cleaning Company is providing cleaning services to tangible personal property. Cleaning Company's charges are taxable.

Certain items, such as carpeting, are treated as tangible personal property for purposes of cleaning or other services to that property, even if the items are attached to real property. Therefore, charges for carpet cleaning are subject to tax.

**Example:** Carpet Cleaner is hired by Individual to clean the carpets in Individual's home. Carpet Cleaner is providing cleaning services to carpeting, which is treated as tangible personal property for purposes of cleaning. Carpet Cleaner's charges are taxable.

**Note:** Routine and repetitive janitorial services, that may include upholstery and carpet cleaning, are not taxable. For additional information, see the article titled "[Janitorial Services](#)" on the department's website. [↗](#)

#### IV. ENTRY FEES FOR RUNS, WALKS, AND RACES ARE TAXABLE

Entry fees to runs, walks, races, and other customer participation events (e.g., golfing, dancing, card-playing) are subject to sales tax as admissions to amusement, athletic, entertainment, or recreational events. The organizers of these events are responsible for paying sales tax on the entry fees.

Items that are provided to the participants free of charge (e.g., t-shirts, hats, reusable water bottles) are incidental to the admission. Therefore, the event organizer is responsible for paying sales or use tax on its purchase of these items and cannot purchase them without tax for resale.

If the organizer of the event is a nonprofit organization, the entry fees may be exempt from sales tax under the occasional sales exemption and purchases may be exempt because the organization holds a Certificate of Exempt Status issued by the department. There are certain standards that must be met for this exemption to apply. The standards are explained in [Publication 206](#), *Sales Tax Exemptions for Nonprofit Organizations*. [↗](#)

#### V. MASONRY AND PAVING CONTRACTORS

When a masonry or paving contractor charges its customer for a real property improvement, its charge is not subject to sales tax. Examples of real property improvements include installing a patio, sidewalk, or concrete driveway and paving a driveway, street, or parking lot.

A contractor is not permitted to collect sales tax from its customer on the sale of a real property improvement. The contractor must pay sales tax on the materials it uses in making the real property improvement. If the contractor does not pay sales tax on its purchases of such materials, the contractor must pay use tax directly to the Wisconsin Department of Revenue on these purchases.

See [Publication 207](#), Sales and Use Tax Information for Contractors, for additional information about how Wisconsin state, county, and stadium sales and use taxes affect contractors. [↗](#)

#### VI. PET BOARDING IS TAXABLE

The service of boarding pets is subject to Wisconsin sales or use tax. The service provider may purchase without tax, for resale, the food that the service provider gives to the pet when providing

a boarding service. The service provider's purchases of tools and equipment used in providing the boarding service are taxable (e.g., portable kennels, leashes, scratching posts, toys). Pet grooming (e.g., washing, brushing, clipping hair or nails) is also taxable.

However, the service of pet sitting that consists of only training, "sitting," or walking the pet is not taxable when the owner (rather than the service provider) provides all food, food dishes, litter boxes, scratching posts, etc. needed or used during the sitting.

Example 1: Customer hires Pet Sitter to check on her dog for two days while she is on a business trip. Pet Sitter will go to Customer's house and let the dog out as needed and fill Customer's food dishes with food provided by Customer. Pet Sitter is providing a nontaxable service when sitting for Customer's dog.

Example 2: Customer hires Pet Sitter to watch her dog for two days while she is on a business trip. Customer brings her dog to Pet Sitter's location. Customer provides the food dishes and food for her dog. Pet Sitter is providing a nontaxable service when sitting for Customer's dog.

Example 3: Customer hires Boarder to watch her dog for two days while she is on a business trip. Customer brings her dog to Boarder's location and Boarder provides food for Customer's dog. Boarder is providing boarding services which are subject to sales tax. Boarder may purchase the food without tax, for resale, that is given to Customer's dog. [✎](#)

## VII. HORSE BOARDING AND OTHER RELATED ACTIVITIES

The service of boarding horses is subject to sales tax, including charges for feed.\* Taxable services include the boarding of horses used for racing, pleasure riding, or show. The person providing the boarding service may purchase without tax, for resale, the feed for the horses that are boarded by providing the seller of the feed with a fully completed exemption certificate ([Form S-211](#)) claiming resale.

Horse training, however, is a nontaxable service. If there are separate and optional charges for the boarding and training, only the charge for boarding is taxable. If the products are not separate and optional from each other, the entire charge for boarding and training is taxable.

The tax treatment of other services that may be provided is as follows:

- Riding lessons are not taxable.
- Hourly horse rental fees are taxable.
- Grooming, including shoeing of horses, is taxable.\*
- Medical services and drugs provided to horses by veterinarians are not taxable.
- Horses used for racing, pleasure riding, or show are taxable.
- Hauling horses to and from a stable is not a taxable service, unless the service is provided with a taxable service, such as boarding. A charge for transportation, by itself or when provided with a nontaxable product or service, is not taxable.

\*Boarding or grooming services for horses that are used in the business of farming are exempt from tax. In order to claim the exemption, the purchaser must provide the seller with a fully completed exemption certificate ([Form S-211](#)) claiming the farming exemption. [✎](#)