



With this issue of TAX REPORT the Department of Revenue begins a series of quarterly announcements describing changes in the sales and use tax law and policy. Answers to questions frequently asked and explanations of parts of the law difficult to understand will be discussed in these issues.

We welcome your comments and suggestions. Please address them to the department at 1 W. Wilson Street, Madison, Wisconsin 53702.

#### TRACTORS UNDER FIFTEEN HORSEPOWER SUBJECT TO TAX

Farmers cannot purchase lawn and garden tractors under 15 horsepower without tax by claiming they are used exclusively in farming. These units are generally used to mow the lawn and till the farmer's garden and this type of use does not qualify for the exemption. Accordingly, retailers should discontinue accepting farmer's exemption certificates on the purchase of lawn and garden tractors, and for their parts and repair services.

#### MOBILE HOMES VS. TRAVEL TRAILERS

Travel trailers are used for recreation and are 100% taxable. Only 12 1/2% of the net selling price of a mobile home is subject to the sales tax. This represents the portion of taxable furniture and furnishings in a mobile home. In some cases there is a problem in distinguishing between a travel trailer and a mobile home.

A mobile home is designed for permanent year-round living. It must have rigid, noncollapsible walls and basic built-in facilities for cooking, eating, sleeping, food preservation and waste disposal (toilet).

Units without these features are travel trailers and are fully taxable.

## BOWLING TOURNAMENTS

Bowling Alley Proprietors: Bowling tournament registration and entrance fees are subject to sales tax as admissions to recreational facilities and events. The tax is assessed on gross receipts less that portion of the entrance fee designated for and set aside as prize money.

Bowling Associations: Tournament entry or registration fees received by these associations, which do not have bowling facilities, are not taxable.

If you have questions about any of these subjects, contact one of our offices for further information.

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