



# TAX REPORT

SALES/USE TAX

WISCONSIN DEPARTMENT of REVENUE MARCH 1969

## TAX INFORMATION AVAILABLE

During 1968 the Department of Revenue began to print its policy decisions on sales, income and withholding tax matters and make them available to the public on a subscription basis. They are called Technical Information Memoranda. Some of these memoranda dealing with sales tax have been digested and reproduced in your quarterly reports.

If you are interested in subscribing to this service you may do so at an annual cost of \$2. The subscription price for 1968 and 1969 is \$4. Binders may be purchased at an additional cost of \$2 each.

If you are interested in this service (or binders) send your request with the appropriate sum of money to the Department of Administration, Document Sales Section, Room B237, State Office Building, One West Wilson Street, Madison, Wisconsin 53702.

## EXEMPTION FOR COMMON OR CONTRACT CARRIERS

The law provides a sales and use tax exemption for motor trucks, truck and road tractors, buses, trailers and semitrailers, and accessories, attachments, parts, supplies and materials therefor, sold to common or contract carriers who use such vehicles exclusively as common or contract carriers.

The following types of sales do not qualify for the exemption:

- 1) Property to be used in part for "private" hauling.

- (2) Automobiles and station wagons, or jeep-type vehicles which do not have a box for carrying property.
- (3) Trucks used for hauling such items as refuse, garbage, or snow.
- (4) Trucks used in conjunction with felling trees, cutting them into logs, and then hauling them to the mill as a private business operation.
- (5) Vehicles used by a milk or cheese factory for hauling milk from farms to its plant for processing.
- (6) Trucks used by a garage-wrecker operator to tow disabled vehicles to his repair facilities.

The exemption would apply to a truck purchased by a moving or storage company to transport pads and packing materials to and from moving jobs.

Retailers that accept an exemption certificate in good faith from a common or contract carrier are relieved from any tax liability. However, if the retailer has knowledge that the carrier intends to use the property in a non-exempt manner, he is not relieved of his responsibility for the paying of a tax on the sale.

## POPCORN AND SOFT DRINK SALES ARE TAXABLE

The Wisconsin Supreme Court in a recent decision (National Amusement Co. case) supported the department's position providing that popcorn and soft drinks prepared and sold at motion picture theaters are subject to the 3% sales tax.