

TAX REPORT

Sales/Use Tax

MARCH 1989

1-89

I. TWENTY-FOUR COUNTIES HAVE 1/2% COUNTY TAX

As of April 1, 1989, there will be a 1/2% county sales and use tax in 24 counties. Listed below are the 24 counties and the effective date for each county's tax.

County	Effective Date	County	Effective Date
Ashland	4/1/88	Marquette	4/1/89
Barron	4/1/86	Oneida	4/1/87
Buffalo	4/1/87	Pierce	4/1/88
Burnett	4/1/89	Polk	4/1/88
Columbia	4/1/89	Portage	4/1/89
Door	4/1/88	Richland	4/1/89
Dunn	4/1/86	Rusk	4/1/87
Iowa	4/1/87	Sawyer	4/1/87
Jackson	4/1/87	St. Croix	4/1/87
Langlade	4/1/88	Vilas	4/1/88
Lincoln	4/1/87	Walworth	4/1/87
Marathon	4/1/87	Waupaca	4/1/89

Retailers who make sales which are subject to the 1/2% county tax in these 24 counties will collect 5 1/2% sales tax on such retail sales - 5% state sales tax and 1/2% county tax.

A. SALES AND USE TAX RETURN REVISED

Both the state tax and the county tax are reported by retailers on their sales and use tax returns which are filed with the Department of Revenue. The return has been revised to include entry areas for county sales and use tax for each of the 24 counties.

Monthly Filers - The revised return will first be filed by monthly filers beginning for the month of April 1989. The April 1989 return will be sent to monthly filers during the last week of April 1989.

Quarterly Filers - The revised return will be filed for quarterly periods ending in April 1989 and thereafter. It will be sent to quarterly filers during the last week of the quarterly period.

Annual Filers - The revised return will be filed for years ending in April 1989 and thereafter. It will be sent to annual filers during the last week of the reporting year.

B. HOW COUNTY TAX APPLIES TO YOU

Read the December 1988 TAX REPORT which was sent to you in late December 1988. It describes the types of property and services which are subject to county taxes, which retailers are liable for county taxes and it also contains other important information.

Retailers who are not located in any of the 24 taxable counties may still be subject to the county tax if they deliver property or taxable services into these counties or are in some other way engaged in business in any of these counties. Part III.B. of the December 1988 TAX REPORT explains when a retailer is "engaged in business" in a taxable county.

C. OTHER SPECIAL PROVISIONS

Contractors

A contractor is liable for county use tax on tangible personal property used in constructing, altering, repairing or improving real property and which becomes a component part of real property in a taxable county, unless the contractor paid county sales tax to the seller when purchasing the tangible personal property.

Motor Vehicles, Boats, Etc.

A county use tax is imposed upon every motor vehicle, boat, snowmobile, mobile home 45 feet or less in length, trailer, semi-trailer, all-terrain vehicle, or aircraft if (a) that property must be registered or titled with the State of Wisconsin and (b) if that property is to be customarily kept in a taxable county.

D. COLLECTING COUNTY TAX FROM CUSTOMERS - THE BRACKET SYSTEM

To separately state the 5% Wisconsin state tax and 1/2% county tax when passing these taxes on to customers, retailers must use the bracket system. See Part VI. of the December 1988 TAX REPORT for additional information on the bracket system.

E. KEEP ACCURATE RECORDS

Retailers engaged in business in a taxable county must keep records showing the amount of their taxable receipts subject to sales tax and purchases subject to use tax for each of the taxable counties.

F. ANY QUESTIONS

If you have any questions about the state or county sales or use tax, call or visit any local office of the Department of Revenue or write to: Wisconsin Department of Revenue, Post Office Box 8902, Madison, WI 53708; or call our Madison office at (608) 266-2776.

II. NEW REPORTING REQUIREMENTS FOR OPERATORS OF SWAP MEETS, FLEA MARKETS, CRAFT FAIRS, OR SIMILAR EVENTS

New legislation in 1988 (sec. 73.03(38), Wis. Stats.) provides the Wisconsin Department of Revenue with authority to require each operator of a swap meet, flea market, craft fair, or similar event to report certain information to the department. Such operators must report the name, address, social security number, and, if available, the seller's permit number of each vendor selling merchandise at the event that he or she operates.

The Department of Revenue has begun sending information to operators of swap meets, flea markets, craft fairs, and similar events to explain the reporting requirements.

An **event** is defined as an occurrence, occasion, activity, or function at which merchandise is sold or traded. It can be on one day or consecutive days. For example, when an event is held every weekend over a period of time, each weekend (consecutive days) constitutes a separate event. In addition to swap meets, flea markets, and craft fairs, the following are examples of other events: trade shows; community or association picnics, fairs, markets, or festivals; carnivals and fairs; and fund raising events.

An **operator** is defined as a person or entity (such as an association, partnership, corporation, or nonprofit organization) who arranges, organizes, promotes, or sponsors an event.

A **vendor** is defined as a person or entity involved with selling merchandise at an event. An operator, might also be a vendor at an event.

Selling merchandise includes the sale, rental, lease, exchange, trade, barter, or taking orders of merchandise, goods, or products, for money and/or other consideration.

A standard reporting form has been designed for the purpose of providing information to the Department of Revenue.

The required information is to be furnished to the Department of Revenue within ten days following the close of each event.

The Department of Revenue will use the information to inform vendors of their Wisconsin tax registration and reporting responsibilities. This will provide equal

treatment between such vendors and other retailers in the state who are selling merchandise.

If you have questions concerning this program or if you need a supply of the vendor information forms, contact:

Wisconsin Department of Revenue
ATTN: Operator/Vendor Program
Post Office Box 8902
Madison, WI 53708
(608) 267-3244

III. NEW EXEMPTION PROVISIONS FOR NONPROFIT ORGANIZATIONS EFFECTIVE JANUARY 1, 1989

Effective January 1, 1989, a nonprofit organization's sales of tangible personal property and services, including admissions or tickets to an event conducted by the organization, are exempt from sales tax if:

1. Professional entertainment is not involved at an event for which charges constitute admissions.
 - a. For this purpose, "professional entertainment" means entertainment provided at an "admission" event by all persons or groups (e.g., band or singers) who are paid in the aggregate \$300 or more per event by all persons for performing, as prize money or for reimbursement of expenses.
 - b. "Admissions" are deemed to be involved if access to the event involving professional entertainment is generally restricted to only those who pay a required fee, make a required "donation" or who must make a purchase of some kind (e.g., meal, raffle ticket).
2. The organization is not engaged in a trade or business.

An organization is deemed to be engaged in a trade or business if its sales of tangible personal property or services (not including sales of tickets to events), or its events, occur on more than 20 days during the year. However, if an organization's receipts do not exceed \$15,000 for the year, it is not considered to be engaged in a trade or business even if its sales and/or events exceed 20 days.
3. The organization is not otherwise required to have a Wisconsin seller's permit.

Note: An organization which conducts bingo games must collect and remit sales tax on the bingo receipts. However, an organization required to hold a seller's permit solely for the purpose of conducting bingo games may still qualify for exempt occasional sales (on nonbingo sales) if it otherwise qualifies under standards 1 and 2 above.

For more information about these new exemption provisions, call or visit any office of the Department of Revenue or write to: Wisconsin Department of Revenue, Post Office Box 8902, Madison, WI 53708.