

TAX REPORT

Sales/Use Tax

MARCH 1990

1-90

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

As of April 1, 1990, there will be a 1/2% county sales and use tax in 28 counties. La Crosse, Monroe, Shawano and Waushara are the four new counties which have adopted the tax effective April 1, 1990. Listed below are the 28 counties and the effective date for each county's tax.

County	Effective Date	County	Effective Date
Ashland	4/1/88	Monroe	4/1/90
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	St. Croix	4/1/87
Jackson	4/1/87	Sawyer	4/1/87
La Crosse	4/1/90	Shawano	4/1/90
Langlade	4/1/88	Vilas	4/1/88
Lincoln	4/1/87	Walworth	4/1/87
Marathon	4/1/87	Waupaca	4/1/89
Marquette	4/1/89	Waushara	4/1/90

Retailers who make sales which are subject to the 1/2% county tax in these 28 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 28 counties.

Monthly Filers - The revised return will first be filed by monthly filers beginning for the month of April 1990. The April 1990 return will be sent to monthly filers during the last week of April 1990.

Quarterly Filers - The revised return will be filed for quarterly periods ending in April 1990 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 1990 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 1989 TAX REPORT which was sent to you in late December 1989. It describes the types of property and services which are subject to county taxes, and which retailers are liable for county taxes.

Retailers who are not located in any of the 28 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 1989 TAX REPORT explains when a retailer is "engaged in business" in a taxable county.

C. 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) that property is to be customarily kept in a taxable county.

D. 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.

E. 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. LOOKING FOR ANSWERS TO WISCONSIN TAX QUESTIONS?

Consider subscribing to the **WISCONSIN TAX BULLETIN**.

For an annual fee of \$5.00, the **Wisconsin Tax Bulletin (WTB)** provides you with up-to-date information about Wisconsin income, franchise, sales/use, gift, inheritance and excise tax laws. It contains articles, summaries of court decisions, private letter rulings and question and answer discussions of important tax issues you may not find elsewhere.

The WTB is published quarterly by the Wisconsin Department of Revenue in January, April, July and October. In addition to the 4 issues, you will receive the annual WTB special issue which describes new tax laws.

To order, send a \$5.00 check made payable to "DOCUMENT SALES" to:

Wisconsin Department of Administration
Document Sales
Box 7840, 202 South Thornton Avenue
Madison, WI 53707

III. CONSTRUCTION CONTRACTORS, ARE YOU HANDLING SALES AND USE TAX CORRECTLY?

CONSTRUCTION AND REPAIR SERVICES. A contractor who performs **real property** construction activities shall not add sales tax as a separate item to any charge for labor or material from such activities, since gross receipts from sales of real estate are not taxable. The tax which a contractor pays on its purchases of materials consumed in real property construction increases its cost of such materials, thereby becoming a cost of doing business.

If an item becomes real property when installed (e.g., furnaces, built-in appliances and air conditioners) the replacement of such item would be real property construction, and both the labor and materials would be nontaxable to the property owner.

Generally the repair of items which, when installed become real property, is also exempt to the property owner. However, section 77.52(2)(a)(10), Wis. Stats.

provides that for the purpose of taxing the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection and maintenance of property, the items listed below retain their character as personal property, regardless of the extent to which they are attached to real property.

The labor and material involved in the repair or service of such property are taxable, although the original installation may not have been taxable. Such items are:

air conditioners	condensing units
bar equipment	evaporative condensers
bathroom fixtures	lamps
blinds	office and business machines
boilers	pneumatic conveying systems
burglar alarms and fire alarm fixtures	soda fountains
carpeting and rugs	steam warmers and tables
clothes dryers	vending machines
coolers	venetian blinds
dehumidifiers	ovens (including associated hoods and exhaust systems)
dishwashers	radios and radio antennas
electric clocks	record players
electric dust collectors	recreational, sporting, gymnasium and athletic goods and equipment including by way of illustration but not of limitation
electric signs	bowling alleys
freezers	golf practice equipment
furnaces	pool tables
furniture and furnishings	punching bags
garbage disposal units	ski tows
gas and electric logs	swimming pools
grills and rotisseries	refrigerators
humidifiers	television receivers and antennas
incinerators	vacuum cleaners
intercoms	water conditioners and softeners
jukeboxes	water heaters
laundry, dry cleaning and pressing machines	water pumps
office, restaurant and tavern type equipment including by way of illustration but not of limitation	
beverage making equipment	
canvas awnings	
chandeliers	
compressors	

The charge for the installation, replacement or repair of any item, which when installed retains its character of **personal property** is subject to sales tax.

For assistance in determining the difference between **real** and **personal** property for sales and use tax purposes or for answers to other related questions, 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.