I. EAU CLAIRE AND WASHINGTON COUNTIES ADOPT COUNTY TAX

Beginning January 1, 1999, the 0.5% county tax is in effect in Eau Claire and Washington counties.

Following is a list of the 51 counties that have adopted the county tax, and the effective date of each county's tax.

<table>
<thead>
<tr>
<th>County</th>
<th>Effective Date</th>
<th>County</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>1/1/94</td>
<td>Crawford</td>
<td>4/1/91</td>
</tr>
<tr>
<td>Ashland</td>
<td>4/1/88</td>
<td>Dane</td>
<td>4/1/91</td>
</tr>
<tr>
<td>Barron</td>
<td>4/1/86</td>
<td>Dodge</td>
<td>4/1/94</td>
</tr>
<tr>
<td>Bayfield</td>
<td>4/1/91</td>
<td>Door</td>
<td>4/1/88</td>
</tr>
<tr>
<td>Buffalo</td>
<td>4/1/87</td>
<td>Douglas</td>
<td>4/1/91</td>
</tr>
<tr>
<td>Burnett</td>
<td>4/1/89</td>
<td>Dunn</td>
<td>4/1/86</td>
</tr>
<tr>
<td>Chippewa</td>
<td>4/1/91</td>
<td>Eau Claire</td>
<td>1/1/99</td>
</tr>
<tr>
<td>Columbia</td>
<td>4/1/89</td>
<td>Forest</td>
<td>4/1/95</td>
</tr>
</tbody>
</table>

Important: Retailers who are not located in any of the 51 counties that have adopted the county tax may still be subject to the county tax if they deliver property into any of these counties with their own vehicles or are in some other way "engaged in business" in any of the 51 counties. More information can be found in Wisconsin Publication 201, Wisconsin Sales and Use Tax Information.

A. Transitional Provisions

Caution: These transitional provisions apply only to Eau Claire and Washington counties.

Services: Those services subject to the 5% state sales tax are not subject to the Eau Claire or Washington county tax if the services are billed to the customer and paid before January 1, 1999, regardless of whether the service is furnished to the customer before or after January 1, 1999. Services furnished before January 1, 1999 are
not subject to the Eau Claire or Washington county tax even though the services are billed or the customer pays on or after January 1, 1999.

Rentals: The lessor’s rental receipts from tangible personal property that the lessor is obligated to furnish at a fixed price under a contract entered into before January 1, 1999, are not subject to the Eau Claire or Washington county sales tax until the contract is terminated, extended, renewed, or modified. However, the lessee is subject to the Eau Claire or Washington county use tax on these lease or rental payments beginning on or after January 1, 1999, except when:

1. The lessor voluntarily reports the tax on such receipts for the convenience of the customer, or

2. The lessor collects the tax because the contract is modified.

Contractors: Sales of building materials to contractors engaged in the business of constructing, altering, repairing, or improving real estate for others are not subject to the Eau Claire or Washington county tax if:

1. The materials are affixed and are made a structural part of real estate, and

2. The amount payable to the contractor is fixed without regard to the costs incurred in performing a written contract that:
   • was irrevocably entered into prior to January 1, 1999, or
   • resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before January 1, 1999.

B. Seasonal Sellers

If you make sales of tangible personal property or taxable services in Eau Claire or Washington County which are subject to the county tax and you are a seasonal filer (a person doing business for only a portion of the year), the sales and use tax returns previously sent to you may need to be replaced, effective for reporting periods beginning on or after January 1, 1999.

Review Schedule CT on the back of the sales and use tax returns previously sent to you for periods on or after January 1, 1999. If Eau Claire and Washington counties are not listed on Schedule CT, you should contact the department for new returns which include Eau Claire and Washington counties. Write or call Wisconsin Department of Revenue, P.O. Box 8902, Madison, WI 53708-8902 (telephone (608) 266-2776).

II. DON’T FORGET USE TAX

Failure to report use tax is the most common error on sales and use tax returns. Make sure use tax is correctly reported on your sales and use tax return (Form ST-12).

The 5% use tax is imposed on the purchase price of tangible personal property or taxable services that are to be used, stored, or consumed within Wisconsin, upon which a sales tax is not imposed.

Common examples involving use tax include:

• Property used in Wisconsin is purchased outside Wisconsin, and the property would have been subject to sales tax if purchased in Wisconsin.

Example: A Wisconsin company purchases an office machine from an Illinois seller who does not charge Wisconsin sales or use tax. The machine is used in Wisconsin. The Wisconsin company is liable for Wisconsin use tax on the purchase price of this machine.

• Building materials are purchased by a nonresident contractor from a seller located in a state other than Wisconsin, and the seller either does not charge sales tax or charges a tax at a rate less than 5%. The nonresident contractor uses the materials in real property construction in Wisconsin.

Example: A contractor located in Illinois purchases building materials in another state and pays that state’s 3% sales tax on the materials. The contractor uses the materials in constructing a building in Wisconsin. The contractor owes the 5% Wisconsin use tax on the purchase price of the materials used in Wisconsin. The contractor is allowed a credit for the sales tax paid to the other state.
• Property is purchased for resale (to sell to others) or for a nontaxable use, and then is used by the purchaser in a taxable manner. No sales tax is paid when the property is purchased.

Example: A furniture store buys desks to resell to customers. The furniture store gives the seller a “resale certificate,” therefore, no sales tax is charged on the sale of the desks to the furniture store. A desk is then taken from the furniture store’s inventory and used by the store bookkeeper. The store owes use tax on the desk.

III. NEW EXEMPTION CERTIFICATE

A new exemption certificate, Wisconsin Sales and Use Tax Exemption Certificate (Form S-211), replaces the following exemption certificates.

Form #  Title
S-016  Certificate of Exemption for Fuel Oil, Propane, Coal, Steam, and Wood Used for Residential Purposes
S-017  Certificate of Exemption for Electricity and Natural Gas Sold for Residential or Farm Use
S-205  Wisconsin Resale Certificate
S-206  Farmer’s Sales and Use Tax Exemption Certificate
S-207  Certificate of Exemption
S-207m  Manufacturer’s Sales and Use Tax Exemption Certificate
S-209  Government Sales and Use Tax Exemption Certificate

Caution: Form S-211 does not replace the Certificate of Exemption for Rental Vehicles (Form RV-207), Construction Contract Entered Into Before the Effective Date of County/Stadium Tax (Form S-207CT), or the Wisconsin Direct Pay Permit.

While the Department of Revenue will fill all orders for exemption certificates with Form S-211, purchasers may use, and sellers may still accept, the exemption certificates listed above. Sellers are not required to replace valid certificates they have on file with Form S-211.

Copies of the Form S-211 may be obtained from any Department of Revenue office or by calling the department’s forms request line at (608) 266-1961.

IV. SNOWPLOWING, SANDING, AND SALTING SERVICES

Now that winter is upon us, it’s important to know that charges for the following are not subject to Wisconsin sales or use tax:

• Snowplowing.
• Sanding and salting roads, sidewalks, or parking lots.

Example 1: A person contracts with Company A to have its driveways and parking lots plowed and sanded during the winter months. Company A charges the person by the hour. The charge by Company A is not subject to sales tax. Company A must pay Wisconsin sales or use tax on its purchase of the sand used in providing the service.

Example 2: A person contracts with Company B to have its driveways and parking lots salted during the winter months. Company B charges the person based on the amount of salt used. The charge by Company B is not subject to sales tax. Company B must pay Wisconsin sales or use tax on its purchase of the salt used in providing the service.

V. REMINDER: MOTOR VEHICLE DEALERS’ MEASURE OF USE TAX INCREASED TO $104

Wisconsin licensed motor vehicle dealers are permitted to report use tax on a certain dollar amount per plate per month for the use of motor vehicles assigned to certain employees and dealership owners.

Effective January 1, 1999, the amount subject to use tax is increased from $102 to $104 per plate per month. (Note: The use tax per plate per month is not $104. Rather, $104 is multiplied by the use tax rate (5%, 5.1%, 5.5%, or 5.6%) to arrive at the use tax due per plate per month.)

VI. BUSINESS TAX REGISTRATION RENEWALS

In 1995, legislation was passed requiring most persons that are required to hold a permit, license, or
certificate issued by the Department of Revenue to hold a Business Tax Registration (BTR) Certificate that must be renewed every two years for a fee.

In early November 1998, the first combined renewals of BTR Certificates were mailed to sales and use tax and withholding tax registrants whose accounts had an expiration date in 1998. Included with the BTR Certificate was a notice that a $10 renewal fee was due at the end of November. Registrants whose accounts have an expiration date in 1999 will be notified at a later date regarding their renewal requirements.

The BTR Certificate should be retained as proof of registration with the Department of Revenue and should be easily accessible. At this time, it does not replace any of your existing permits, licenses, or certificates. However, it extends your existing active registrations until the expiration date shown on the BTR Certificate.

In the future, the BTR Certificate will list all existing active permits, licenses, and certificates, and the expiration date will apply to all items listed. Currently, fuel, cigarette, tobacco, and alcohol related permits, licenses, and certificates are not listed on the renewal certificate.

If you have any questions about Business Tax Registration, you can contact the Department of Revenue at P.O. Box 8902, Madison, WI 53708-8902 (telephone (608) 266-2776).

VII. SALES AND USE TAX PUBLICATIONS REVISED

The following Wisconsin sales and use tax publications have been revised to reflect law changes, additional counties adopting the county tax, court decisions, and other changes. The most recent revision date appears in parentheses.

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
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<tbody>
<tr>
<td>201</td>
<td>Wisconsin Sales and Use Tax Information (10/98)</td>
</tr>
<tr>
<td>202</td>
<td>Wisconsin Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs (9/98)</td>
</tr>
<tr>
<td>207</td>
<td>Sales and Use Tax Information for Contractors (9/98)</td>
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<tr>
<td>211</td>
<td>Cemetery Monument Dealers (11/98)</td>
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<tr>
<td>220</td>
<td>Grocers (10/98)</td>
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</table>

Copies are available at any department office or by mail, fax, or the Internet.

By Mail
Write to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8903, Madison, WI 53708-8903 or call (608) 266-1961.

Via Fax
Use the department’s Fax-A-Form system by calling (608) 261-6229 from a fax telephone. Enter the retrieval code "10" plus the publication number.

Via Internet
Access the department’s World Wide Web site at http://www.dor.state.wi.us, and click on “Forms and Publications”

VIII. WISCONSIN/MINNESOTA SALES TAX SEMINARS

The Wisconsin and Minnesota Departments of Revenue will again present a series of joint sales and use tax seminars in 1999. The seminars will include information on differences between the two states’ laws as they apply to general businesses and to contractors.

You are invited to attend any of these seminars, free of charge. All six seminars are from 9:00 a.m. to 12:30 p.m. To register or for more information, call the Minnesota Department of Revenue at 1-800-888-6231.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
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<td>March 2, 1999</td>
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<tr>
<td>March 9, 1999</td>
<td>Hudson, WI</td>
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<tr>
<td>March 16, 1999</td>
<td>Onalaska, WI</td>
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<tr>
<td>May 4, 1999</td>
<td>Duluth, MN</td>
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<td>May 11, 1999</td>
<td>Hudson, WI</td>
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<td>May 18, 1999</td>
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