

SALES AND USE TAX REPORT

1-99

June 1999

In This Issue		Page
I.	Green Lake and Taylor Counties Adopt County Tax	1
II.	Tax Auditors Discover Over \$21 Million in Unpaid Use Tax.....	2
III.	Direct Pay Permits Allow Businesses to Purchase Without Sales Tax.....	2
IV.	Power of Attorney Form Required	2
V.	Sales and Use Tax Information Available on Internet	3
VI.	Documenting Exempt Sales to Governmental Units.....	3
VII.	New Publication for Veterinarians	4
VIII.	Sales and Use Tax Publications.....	4

County	Effective Date	County	Effective Date
Langlade	4/1/88	Rusk	4/1/87
Lincoln	4/1/87	St. Croix	4/1/87
Marathon	4/1/87	Sauk	4/1/92
Marquette	4/1/89	Sawyer	4/1/87
Milwaukee	4/1/91	Shawano	4/1/90
Monroe	4/1/90	Taylor	7/1/99
Oconto	7/1/94	Trempealeau	10/1/95
Oneida	4/1/87	Vernon	1/1/97
Ozaukee	4/1/91	Vilas	4/1/88
Pepin	4/1/91	Walworth	4/1/87
Pierce	4/1/88	Washburn	4/1/91
Polk	4/1/88	Washington	1/1/99
Portage	4/1/89	Waupaca	4/1/89
Price	1/1/93	Waushara	4/1/90
Richland	4/1/89		

I. GREEN LAKE AND TAYLOR COUNTIES ADOPT COUNTY TAX

Beginning July 1, 1999, the 0.5% county tax is in effect in Green Lake and Taylor counties.

Following is a list of the 53 counties that have adopted the county tax, and the effective date of each county's tax.

County	Effective Date	County	Effective Date
Adams	1/1/94	Douglas	4/1/91
Ashland	4/1/88	Dunn	4/1/86
Barron	4/1/86	Eau Claire	1/1/99
Bayfield	4/1/91	Forest	4/1/95
Buffalo	4/1/87	Green Lake	7/1/99
Burnett	4/1/89	Iowa	4/1/87
Chippewa	4/1/91	Iron	4/1/91
Columbia	4/1/89	Jackson	4/1/87
Crawford	4/1/91	Jefferson	4/1/91
Dane	4/1/91	Juneau	4/1/92
Dodge	4/1/94	Kenosha	4/1/91
Door	4/1/88	La Crosse	4/1/90

Important: Sellers who are not located in any of the 53 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 53 counties.

Information about what sales and purchases are subject to county sales or use tax and transitional provisions that apply to Green Lake and Taylor County sellers can be found in Wisconsin Publication 201, *Wisconsin Sales and Use Tax Information*.

Important Note for Seasonal Sellers

If you make sales of tangible personal property or taxable services in Green Lake or Taylor 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 July 1, 1999.

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

II. TAX AUDITORS DISCOVER OVER \$21 MILLION IN UNPAID USE TAX

As part of its efforts to obtain compliance with Wisconsin use tax laws, Department of Revenue auditors assessed over \$21 million of use tax in the fiscal year ending June 30, 1998. The \$21 million does not include interest and penalties that were also imposed.

Auditors found that many businesses, while properly accounting for tax on sales, fail to have a system to keep track of purchases subject to use tax. The following are examples of purchases made without a sales or use tax being paid. . . until the business were audited:

- Purchases from unregistered out-of-state sellers (e.g., mail order or Internet companies).
- Purchases for which exemption certificates were issued to the seller but the item purchased was ultimately used in a taxable manner.

Purchasers should carefully review their accounting methods to ensure the use tax is properly reported.

III. DIRECT PAY PERMITS ALLOW BUSINESSES TO PURCHASE WITHOUT SALES TAX

The Department of Revenue has issued direct pay permits to approximately 40 businesses operating in Wisconsin. These businesses may purchase certain tangible personal property or taxable services without Wisconsin sales or use tax using the direct pay permit. If the tangible personal property or taxable services are stored, used, or consumed in Wisconsin in a taxable manner, the purchaser must report Wisconsin use tax on the purchase price of the property or service.

A direct pay permit holder must provide one of the following to a seller when purchasing without sales tax using a direct pay permit*:

1. A copy of the purchaser's direct pay permit.
2. A written document containing all of the following:
 - The name and address of the direct pay permit holder.
 - A statement that the direct pay permit holder is purchasing without Wisconsin sales or use tax using a direct pay permit.
 - The direct pay permit holder's direct pay permit number.
 - The effective date of the direct pay permit.
 - A statement as to whether the use of the direct pay permit is for a single purchase or is continuous.
 - The signature of the direct pay permit holder.
3. An exemption certificate (Form S-211) containing the information described in 2. above.

* If a direct pay permit holder indicates in writing to a seller that the use of the direct pay permit is **continuous**, that purchase and all subsequent purchases from the seller qualifying for direct pay, may be made without paying Wisconsin sales or use tax to the seller. If the use of a direct pay permit is continuous, it is not necessary for the direct pay permit holder to provide the documentation described above at the time of each subsequent purchase.

A seller must keep the information provided by the direct pay permit holder on file as authorization for the direct pay permit holder to make purchases without paying tax to the seller.

Additional information about what tangible personal property and taxable services do not qualify for direct pay can be found in sec. Tax 11.13 of the Wisconsin Administrative Code.

IV. POWER OF ATTORNEY FORM REQUIRED

If your tax representative assists you in complying with Wisconsin sales and use tax laws and the tax

representative performs any of the following functions on your behalf, you are required to have a power of attorney on file with the Wisconsin Department of Revenue:

- Receive tax forms, notices, assessments, determinations, redeterminations, billings, refunds, communications, and correspondence relating to your sales and use tax account.
- Inspect confidential information (e.g., tax returns and audit reports).
- Represent at conferences.
- Execute a waiver to extend the statutory period for assessment or collection of tax.
- Execute any other waivers or agreements.

A Department of Revenue preprinted power of attorney (Form A-222) is available from any Department of Revenue office. The department will accept an original, photocopy, or facsimile transmission of a power of attorney.

V. SALES AND USE TAX INFORMATION AVAILABLE ON INTERNET

You can obtain information regarding Wisconsin sales and use taxes via the Internet by accessing the Department of Revenue's World Wide Web site at www.dor.state.wi.us. This site contains several valuable areas of information, including the following:

- **Forms and Publications** — Includes downloadable tax forms and instructions, such as applications, exemption certificates, and returns, as well as publications.
- **Frequently Asked Questions** — Answers questions relating to various taxes, filing returns, obtaining forms, office locations, taxpayer assistance, and other tax-related matters.
- **Agency Information** — Describes the function of each office or division, lists executives, administrators, and other managers, and gives information about how to contact various offices for assistance.

- **What's New** — Contains press releases and other informational materials published by the department.
- **Related Sites of Interest** — Gives information about other Wisconsin agencies' sites, federal sites, and other sites of interest.

VI. DOCUMENTING EXEMPT SALES TO GOVERNMENTAL UNITS

Sales of tangible personal property and taxable services sold *to* the following governmental units, agencies, or instrumentalities are exempt from Wisconsin sales or use tax:

- The United States and its incorporated and unincorporated agencies and instrumentalities.
- The State of Wisconsin or any of its agencies.
- Any unit of Wisconsin government or an agency or instrumentality of one or more units of Wisconsin government. This exemption includes any municipality, public school, or public school district in Wisconsin.
- A county-city hospital established under sec. 66.47, Wis. Stats.
- An uptown business improvement district organized under sec. 66.608, Wis. Stats.
- A sewerage commission organized under sec. 281.43(4), Wis. Stats., or a metropolitan sewerage district organized under secs. 66.20 to 66.26 or 66.88 to 66.918, Wis. Stats.
- A joint water authority created under sec. 66.0735, Wis. Stats. (effective May 12, 1998).
- A local exposition district or professional baseball park district under subchs. II and III of ch. 229, Wis. Stats.
- The University of Wisconsin Hospitals and Clinics Authority.

Sales in Wisconsin to foreign countries, other states, or municipalities of other states or foreign countries are taxable.

As proof that the sale to the federal or Wisconsin governmental unit, agency, or instrumentality is exempt, a seller must receive one of the following from the governmental unit:

- a. An exemption certificate (Form S-211).

- b. A completed purchase order or similar document clearly identifying the governmental unit as the purchaser.
- c. The Certificate of Exempt Status (CES) number issued to the governmental unit to be recorded by the seller on the invoice it keeps.

Note: Not all governmental units hold a CES number, nor are they required to hold a CES number. However, federal and Wisconsin governmental units may apply for a CES number using Form S-103, Application for Certificate of Exempt Status. Form S-103 is available from any Department of Revenue office.

VII. NEW PUBLICATION FOR VETERINARIANS

The Department of Revenue has recently released Publication 224, *Veterinarians — How Do Wisconsin Sales and Use Taxes Affect Your Business?* (5/99). The publication discusses how Wisconsin sales and use taxes apply to sales and purchases by veterinarians.

See the following article for information on how to obtain copies of this and other Department of Revenue publications.

VIII. SALES AND USE TAX PUBLICATIONS

The following is a list of Wisconsin sales and use tax publications. Those publications that have been revised recently to reflect law changes, additional counties adopting the county tax, court decisions, and other changes are highlighted in bold print. The most recent revision date appears in parentheses.

No.	Title
200	Electrical Contractors (3/98)
201	Wisconsin Sales and Use Tax Information (10/98)
202	Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs (9/98)
203	Sales and Use Tax Information for Manufacturers (12/94)
205	Use Tax Information for Individuals (1/99)

No.	Title
206	Sales Tax Exemption for Nonprofit Organizations (9/90)
207	Sales and Use Tax Information for Contractors (9/98)
210	Sales and Use Tax Treatment of Landscaping (5/94)
211	Cemetery Monument Dealers (1/99)
212	Businesses: Do You Owe Use Tax on Imported Goods? (1/99)
213	Travelers: Don't Forget About Use Tax (4/99)
214	Businesses: Do You Owe Use Tax? (4/99)
216	Filing Claims for Refund of Sales or Use Tax (3/99)
217	Auctioneers (3/96)
219	Hotels, Motels, and Other Lodging Providers (4/99)
220	Grocers (10/98)
221	Farm Suppliers and Farmers (4/97)
222	Motor Vehicle Fuel Users: Do You Owe Use Tax? (4/98)
223	Bakeries (2/98)
224	Veterinarians (5/99)
403	Premier Resort Area Tax (2/98)
410	Local Exposition Taxes (2/99)

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 www.dor.state.wi.us, and click on "Forms and Publications."