

# Wisconsin TAX BULLETIN

[www.dor.state.wi.us](http://www.dor.state.wi.us)

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## 1999 Instructions Contain an Error

The instructions for certain 1999 Wisconsin income and franchise tax forms contain an error with respect to the farmland tax relief credit. The Form 1 and 1NPR instructions for individuals, the Schedule FT instructions for corporations, and the Form 2 instructions for fiduciaries incorrectly state that a farmland tax relief credit for 1999 may be calculated on up to \$11,538.47 of property taxes on qualifying farmland, and that a maximum credit of \$1,500 is available.

The 1999 instructions for the farmland tax relief credit should indicate that only the first \$10,000 of property taxes on qualifying farmland may be used to calculate the credit, and that the maximum credit that may be claimed for 1999 is \$1,300 ( $\$10,000 \times 13\% = \$1,300$ ). Corrected versions of the affected instructions have been placed on the Department of Revenue's web site.

Any 1999 tax returns that are filed claiming a farmland tax relief credit that exceeds the \$1,300 maximum allowable will be adjusted to reduce the credit to the proper amount allowable. [↗](#)

## Did You Know the Department of Revenue...

- ◆ provides free taxpayer assistance all around Wisconsin (see article on page 16)
- ◆ has a free Speakers Bureau available for speaking engagements (see article on page 11)
- ◆ has free publications on a wide variety of tax subjects (see article on page 17)
- ◆ has an index to make your research easier (see article on page 5)
- ◆ provides old and new tax forms via the Internet (web site is [www.dor.state.wi.us](http://www.dor.state.wi.us)) and via Fax-A-Form (phone 608-261-6229 from a fax telephone)
- ◆ offers recorded refund information 24 hours a day, seven days a week (phone 608-266-8100, Madison, or 414-227-4907, Milwaukee) [↗](#)



## Reminder: Income Tax Changes for 1999

Summarized below are the major changes to the individual income tax for 1999. Further details about the changes are provided in the individual income tax instruction booklets.

- **Renter's and home owner's school property tax credit** The renter's and home owner's school property tax credit is no longer available. As part of a comprehensive tax package that included the sales tax rebate and future cuts in the income tax, the renter's and home owner's school property tax credit was eliminated.
- **Married couple credit** The married couple credit is increased from \$304 to \$350 for 1999.
- **Temporary recycling surcharge** The temporary recycling surcharge applies only to individuals who file a short period return with a taxable year beginning on or after January 1, 1999, and ending before April 1, 1999.
- **Farmland tax relief credit** The maximum farmland tax relief credit is increased from \$1,000 to \$1,300.
- **Farm loss limitations** The farm loss limitations no longer apply to persons who are actively engaged in farming. [↗](#)

## Most Sales Tax Rebates Mailed



By the time this article is published, the department is expected to have mailed nearly 2,500,000 sales tax rebates, as a result of legislation enacted in November 1999. Rebate amounts for part-year and full-year Wisconsin residents vary from \$184 to \$534, depending on a person's 1998 Wisconsin adjusted gross income and filing status. (continued)

<b>In This Issue</b>	How to Obtain Copies ..... 10	Question and Answer ..... 15
<b>Articles –</b>	Do You Need a Speaker? ..... 11	Taxpayer Assistance ..... 16
Instructions Contain Error ..... 1	Wisconsin/Minnesota Sales Tax Seminars ..... 11	Tax Publications Available ..... 17
Did You Know . . . ..... 1	Information or Inquiries? ..... 12	Make Your Research Easier ..... 18
Reminder: Income Tax Changes ..... 1	Due Dates for Information Returns.. 12	Prison for Tax Evasion ..... 19
Sales Tax Rebates Mailed ..... 1	Focus on Publications: Barber and Beauty Shops ..... 12	Administrative Rules ..... 20
Withholding Tables Will Change ..... 3	Caretaker Supplement ..... 13	Recently Adopted Rules ..... 20
Federal Laws Enacted in 1999 ..... 3	IRS Mileage Rates for 2000 ..... 13	<b>Report on Litigation ..... 26</b>
Sales Tax Report Mailed ..... 4	Avoid Errors on Tax Returns ..... 13	<b>Tax Releases ..... 35</b>
Bulletin Index Included ..... 5	3K-1s on Magnetic Media ..... 13	<b>Attachments –</b>
Nonprofit Organizations ..... 5	Form 1099-Gs and 1099-INTs Mailed ..... 14	December Tax Report ..... 39
Teachers Retirement System ..... 6	Withholding Tax Update Sent ..... 14	Letter to ETF ..... 43
Electronic Filing ..... 6	Attaching Federal Return ..... 14	Avoid Errors ..... 45
Underpayment Interest ..... 8	Department Internet Site ..... 15	Withholding Tax Update ..... 49
Tips to Speed Refund ..... 8		Bulletin Index ..... 51
How to Obtain Forms ..... 9		Order Blank ..... 81

### Automatic Rebates

By January 31, 2000, all sales tax rebates of eligible persons who filed a 1998 Wisconsin income tax return or homestead credit claim by October 15, 1999, should be mailed (rebates will first be applied to any delinquent taxes or other state agency debts on the department's records). Except as noted under "Exceptions" below, an "eligible person" is any individual who was a part-year or full-year resident of Wisconsin in 1998.

**Exceptions:** An individual is not eligible for a sales tax rebate if the person –

- was claimed as a dependent on another person's 1998 federal income tax return and either 1) had 1998 Wisconsin adjusted gross income of less than \$5,000, 2) did not owe any Wisconsin tax, or 3) both.
- was incarcerated in a state or federal prison at any time during 1998 (however, if the person was married as of December 31, 1998, the spouse may be eligible).

Rebates were mailed automatically to eligible persons who filed a 1998 Wisconsin income tax return or homestead credit claim by October 15, 1999 – no application was required. If you are eligible for an automatic rebate and did not receive it, you may contact the department (see "Questions?" at the end of this article).

### Application for Sales Tax Rebate

Except as noted under "Exceptions" above, individuals who were part-year or full-year Wisconsin residents in

1998, but did not file a 1998 Wisconsin income tax return or homestead credit claim by October 15, 1999, are also eligible to receive a sales tax rebate. However, to receive the rebate, those persons must file an "Application for Sales Tax Rebate," Form STR. The application must be received by the department by June 30, 2000 (mailed applications must be postmarked by June 30, 2000). For information about how to obtain a Form STR, see "Questions?" at the end of this article.

### Nonresidents

Individuals who were nonresidents during 1998 were also eligible to receive a sales tax rebate. Rebate amounts for nonresidents varied from \$6 to \$267, depending on the amount of documented Wisconsin nonbusiness consumer sales taxes paid in 1998.

Automatic rebates were not mailed to nonresidents. To receive a rebate, a nonresident was required to file an "Application for Nonresident Sales Tax Rebate," Form NSTR, by December 20, 1999.

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## Change of Address

Automatically-mailed rebates were mailed to the address listed on the 1998 tax return or homestead credit claim, unless a change of address was filed with the department by November 24, 1999. If you have moved and have a current change of address order on file with the United States Postal Service (the “Post Office”), your rebate check will be forwarded to you.

If the Post Office cannot deliver a check, it will be returned to the department. Unclaimed checks will be retained until December 31, 2000. If you have moved and do not have a change of address on file with either the department or the Post Office, or if a forwarding order at the Post Office has expired, you should notify the department of your new address. You may contact the department for this purpose by 1) phoning (608) 261-6979 or toll-free at (877) 9REBATE [973-2283] or TTY at (608) 267-1049 in Madison or (414) 227-4147 in Milwaukee, 2) sending the information by e-mail at [rebtsrch@dor.state.wi.us](mailto:rebtsrch@dor.state.wi.us), or 3) writing to Wisconsin Department of Revenue, Refund Research Unit, P.O. Box 8903, Madison, WI 53708-8903.

## Questions?

To obtain a copy of the application Form STR, or for more information about the sales tax rebate, you can contact the department by stopping in at any of the department’s offices, or by mail, phone, fax, e-mail, or Internet.

- Mail – Wisconsin Department of Revenue, Sales Tax Rebate, P.O. Box 8937, Madison, WI 53708-8937
- Phone – (608) 266-2772 or (608) 267-9420, toll-free at (877) 9REBATE [973-2283] or TTY at (608) 267-1049 in Madison or (414) 227-4147 in Milwaukee
- Fax – (608) 267-0834
- E-Mail – [rebate@dor.state.wi.us](mailto:rebate@dor.state.wi.us)
- Internet – [www.dor.state.wi.us](http://www.dor.state.wi.us), and click on “Sales Tax Rebate”

The Internet web site includes the application Form STR, additional information about the sales tax rebate, and a list of frequently asked questions, and the answers. [↗](#)

## Withholding Tables Will Change in July 2000

A provision in the 1999-2001 Budget Bill (1999 Wisconsin Act 9) directed the Department of Revenue to adjust the Wisconsin income tax withholding tables, effective July 1, 2000. These revisions are to reflect changes in Wisconsin income tax rates and tax brackets made by Act 9.

As a result, the withholding rates and tables will be adjusted effective for payroll periods beginning on or after July 1, 2000. Wisconsin Publication W-166, *Wisconsin Employer’s Withholding Tax Guide*, will be revised to reflect those changes.

For payroll periods beginning before July 1, 2000, the withholding rates and tables currently in effect will continue to apply. Publication W-166 effective for payroll periods beginning on or after May 1, 1988 (revision date 3/96) should continue to be used until July 1, 2000. [↗](#)

## Federal Laws Enacted in 1999 Do Not Apply for Wisconsin

Generally, Wisconsin law provides that the computation of taxable income on the 1999 Wisconsin income tax return is to be based on the provisions of the Internal Revenue Code (“IRC”) enacted as of December 31, 1998. Changes to the Internal Revenue Code enacted after December 31, 1998 do not apply for Wisconsin income tax purposes. Individuals must complete Wisconsin Schedule I to adjust for any differences that result in the amounts of income and expense items reportable for federal and Wisconsin purposes.

At the time the 1999 Schedule I was sent to the printer (December 1, 1999), no new federal laws affecting the IRC had been enacted during 1999.

However, the Tax Relief Extension Act of 1999, TREA, (Public Law 106-170 ) was enacted on December 17, 1999. The changes that P.L.106-170 made to the IRC do not apply for Wisconsin purposes for 1999.

Following are brief explanations of differences between federal and Wisconsin law that result from the enactment of P.L. 106-170. The “Federal” explanation indicates how an item is to be treated for federal income tax purposes as of December 31, 1999. The “Wisconsin”

explanation indicates how the item is to be treated for Wisconsin purposes under the Internal Revenue Code enacted as of December 31, 1998.

If you are affected by any of these differences, you must complete 1999 Wisconsin Schedule I. Schedule I is available from any Department of Revenue office or from the department's Internet web site ([www.dor.state.wi.us](http://www.dor.state.wi.us)).

#### A. *Items Affecting the Computation of Federal Adjusted Gross Income*

##### 1. Employer-Provided Educational Assistance

- (a) Federal – Up to \$5,250 of benefits received from an employer's educational assistance plan may be excluded from an employee's taxable income. (TREA, sec. 506)
- (b) Wisconsin – The exclusion for employer-provided educational assistance applies only with respect to courses beginning before June 1, 2000. (Note: This provision only affects 1999 returns filed on a fiscal-year basis.)

##### 2. Income from Constructive Ownership Transactions


- (a) Federal – Effective for transactions entered into on or after July 12, 1999, the amount of long-term capital gain on a constructive ownership transaction is limited to the amount of such gain that would have been recognized if the taxpayer held the financial asset directly during the term of the derivative contract. (TREA, sec. 534)
- (b) Wisconsin – The treatment of constructive ownership transactions is determined under the provisions of the Internal Revenue Code as amended to December 31, 1998.

##### 3. Modify Installment Method and Repeal for Accrual Method Taxpayers

- (a) Federal – Effective for sales or dispositions on or after December 17, 1999, the installment method does not apply to income from an installment sale if such income would be reported under an accrual method of accounting. In addition, entering into any arrangement that gives the holder of an installment obligation the right to satisfy an obligation with that installment note is treated in the same manner as the direct pledge of the installment note. (TREA, sec. 536)
- (b) Wisconsin – The installment method of accounting for dispositions of property may be used by taxpayers using an accrual method of accounting. A pledge rule provides that if an installment obligation is pledged as security for any indebtedness, the net proceeds of such indebtedness are treated as a payment on the obligation, triggering the recognition of income.

#### B. *Items Affecting the Computation of Itemized Deductions*

##### 1. Charitable Contribution Deduction for Transfers Associated with Split-Dollar Insurance Arrangements


- (a) Federal – Effective for transfers after February 8, 1999, no charitable contribution deduction is allowed for a transfer to or for the use of a qualified organization if in connection with the transfer (1) the organization directly or indirectly pays, or has previously paid, any premium on any "personal benefit contract" with respect to the transferor, or (2) there is an understanding or expectation that any person will directly or indirectly pay any premium on any "personal benefit contract" with respect to the transferor. (TREA, sec. 536)
- (b) Wisconsin – The charitable contribution deduction for transfers associated with split-dollar insurance arrangements is determined under the provisions of the Internal Revenue Code as amended to December 31, 1998. 



### Sales and Use Tax Report Mailed

The December 1999 *Sales and Use Tax Report* (2/99) was sent in late December and early January to all persons registered for Wisconsin sales and use tax purposes. The *Sales and Use Tax Report* contains summaries of the recent sales and use tax law changes. It also includes articles on the department's change in po-

sition regarding construction materials purchased by exempt entities and the increase in the motor vehicle dealers' measure of use tax from \$104 to \$106, effective January 1, 2000.

A copy of the Report appears on pages 39 to 42 of this Bulletin. 



## Wisconsin Tax Bulletin Annual Index Included



This issue of the *Wisconsin Tax Bulletin* includes (on pages 51 to 79) the annual index of articles, tax releases,

court case summaries, private letter rulings, and other materials that have appeared in past Bulletins. The index includes information for issues 1 to 115 (through October 1999). [☞](#)

## Certain Nonprofit Organizations May Be Subject to Use Tax

A sales and use tax exemption applies for purchases of tangible personal property and taxable services by certain nonprofit organizations. The exemption applies to any corporation (except certain insurance corporations), community chest fund, foundation, or association organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals. The exemption does not apply to hospital service insurance corporations under sec. 613.80(2), Wis. Stats. (1997-98).

To qualify for the exemption, no part of the net income of the nonprofit organization may inure to the benefit of any private stockholder, shareholder, member, or corporation. Such organizations are issued a Certificate of Exempt Status (CES) number by the Department of Revenue.

Unless some other exemption applies (e.g., resale), use tax applies to organizations that neither meet the requirements of this exemption nor hold a CES number. Those organizations are subject to Wisconsin use tax on their purchases of tangible personal property and taxable services stored, used, or consumed in Wisconsin, if the seller did not charge Wisconsin sales tax.

The following are common examples of purchases subject to use tax:

- Purchases from out-of-state suppliers by mail order or the Internet and the supplier does not charge sales tax on the sale:
  - A Chamber of Commerce's purchase of calendars it gives to each of its members at the beginning of the year.
  - The Rotary Club's purchase of pens and candy and candy dishes it gives to persons speaking at monthly meetings.

- A Lions Club's purchase of teddy bears that are given to children.
- The local VFW Club's purchase of tablecloths, tables, and chairs for its banquet facility.
- The Optimists' purchase of a computer and software it donates to a local school.

➤ Purchases made without tax for resale which are not resold:

- The local Garden Club's purchase of seeds and plants remaining after a fund raiser, that are given to members for their personal use.
- A professional organization's purchase of popcorn remaining from its concession stand, that is given to volunteers.

**Note:** If the sale was also subject to sales or use tax in another state in which the purchase was made, the amount of sales or use tax properly paid to the other state, not to exceed the amount of Wisconsin tax, may be credited against the Wisconsin use tax due.

A nonprofit organization that *regularly* has use tax obligations, because purchases are made without sales or use tax being charged by the seller, should apply for a consumer use tax registration certificate unless the organization is required to have a seller's permit. Nonprofit organizations that have a consumer use tax registration certificate are sent a Wisconsin sales and use tax return (Form ST-12) near the end of each reporting period.

A nonprofit organization that does not regularly purchase or lease taxable property or services for storage, use, or other consumption in Wisconsin without sales or use tax being charged by the seller is not required to apply for a consumer use tax registration certificate. However, the organization must pay use tax to the Department of Revenue on purchases where a sales tax has not been paid. The organization should report the use tax on a Consumer's Use Tax Return (Form UT-5). [☞](#)



## Certain State Teachers Retirement System Members No Longer Qualify for Exemption

The department is revoking a tax release titled “Eligibility for the Wisconsin Income Tax Exemption for Members of the Wisconsin State Teachers Retirement System,” effective for taxable years that begin on or after January 1, 2000. The revocation notice appears on page 35 of this Bulletin. The reasons for this change are given in a letter dated October 18, 1999, that the Department of Revenue sent to the Department of Employee Trust Funds (a copy of this letter appears on page 43 of this Bulletin).

The revoked tax release was published in *Wisconsin Tax Bulletin* 98 (July 1996), page 30. That tax release affected only individuals who (1) became members of the State Teachers Retirement System (STRS) before January 1, 1964, (2) subsequently withdrew their contributions and closed their STRS account, and (3) later (after 1963) again became members of STRS.

The revoked tax release provided that such individuals were deemed to have had continuous (that is, uninterrupted) membership in the STRS, if any portion of their

pre-1964 creditable service was restored as the result of the *Schmidt* or *Benson* court decision cited in that tax release. Because such individuals were deemed to have had continuous membership in the STRS (and because that membership began before 1964), retirement benefits they received in taxable years prior to the taxable year 2000 qualified for the exemption provided by sec. 71.05(1)(a) of the Wisconsin income tax law. (Note: Section 71.05(1)(a) provides that retirement benefits received from an account established in the STRS before January 1, 1964, are exempt from Wisconsin income tax.)

As a result of the revocation of the tax release, individuals who qualified for the sec. 71.05(1)(a) exemption only because of the tax release in *Wisconsin Tax Bulletin* 98 no longer qualify for the exemption, effective for taxable years beginning on or after January 1, 2000.

Retirement benefits received by those individuals in taxable years beginning on and after January 1, 2000, must be included in their Wisconsin taxable income. This change applies only prospectively. It does not affect taxable years that began before January 1, 2000 (for example, it does not affect the 1999 taxable year).

✎



## Electronic Filing – Setting the Pace for the Future

The numbers speak for themselves. Wisconsin’s Electronic Filing program, referred to as ELF, has been a success from the start. In 1999, the number of ELF returns grew by 36% over the previous filing season.

### What is ELF?

ELF includes all three electronic filing options 1) Federal/State, 2) TeleFile, and 3) Online (PC and Web-based filing).

- 1) The Federal/State program includes returns that are prepared and transmitted by Electronic Return Originators, (ERO). EROs are tax professionals that are approved by the IRS and the Wisconsin Department of Revenue (DOR) to file returns electronically.
- 2) TeleFile is a method of filing simple tax returns using a touch-tone phone. In order to use the TeleFile option, a taxpayer must be selected by DOR’s computer system and must receive a Personal Identification Number (PIN).

- 3) Online filing actually includes two methods a) “off-the-shelf” tax preparation and electronic filing software, and b) web-based filing.

- a) Off-the-shelf software is installed on an individual’s computer and all information entered by that individual is stored on his/her computer. The cost of transmitting the return is included in the price of the software.
- b) Web-based filing is accessed over the Internet. Browser software establishes a secure connection with a web site. The tax preparation software and the information entered by the taxpayer are stored on the web site. Payment is required when the taxpayer submits his/her tax information.

### Benefits of ELF

- Taxpayer information is more secure and accurate because the software performs all mathematical calculations and the information is entered directly into the computer system by the taxpayer or tax preparer.
- Refunds can be direct deposited into a checking or savings account.

- Refunds can be issued in as few as three days.
- Taxpayers receive an acknowledgement from DOR and IRS of receipt of their return.
- Adjustment rates on electronic returns is lower than paper returns.
- Balance due returns can be filed early in the season, but can be paid on April 17th.
- Electronic filing reduces processing costs for DOR, which benefits all taxpayers.
- Wisconsin allows electronic filing through October 16th for returns with extensions.

### How Tax Preparers Become Electronic Return Originators with DOR

Electronic filing through a tax professional continues to be the largest segment of the electronic filing world on both the federal and the state levels. In the 1999 tax season, over 2,500 tax preparers participated as EROs. One reason for the growth is that many tax professionals now offer electronic filing as part of their standard tax preparation fee, rather than as a separate add-on. This affords ALL their clients the high level of service that is the hallmark of electronic filing.

Wisconsin Federal/State ERO participants must be accepted in the IRS electronic filing program and comply with the following requirements:

- 1) Participants must agree to follow all requirements, specifications and procedures in Wisconsin Publication 115, *Handbook for Federal/State Electronic Filing of Individual Income Tax Returns*, and in the IRS Publications 1345 and 1346 (*IRS Specifications for Electronic Filing*), Revenue Procedure 90-62.

- 2) Participants must provide DOR with a copy of their federal form 8633 and EFIN, (Electronic Filing Identification Number), assigned by the IRS. Participants who are not sole proprietors must provide a list of all officers' or partners' full names, addresses, and social security numbers.
- 3) Participants must meet DOR suitability requirements.
- 4) Since acceptance by the IRS is a precondition to participation in the Wisconsin ELF Program, participants must pass the suitability as described in Publication 1345, Chapter 4.
- 5) Participants must be in good standing with DOR for both business and personal tax liabilities.

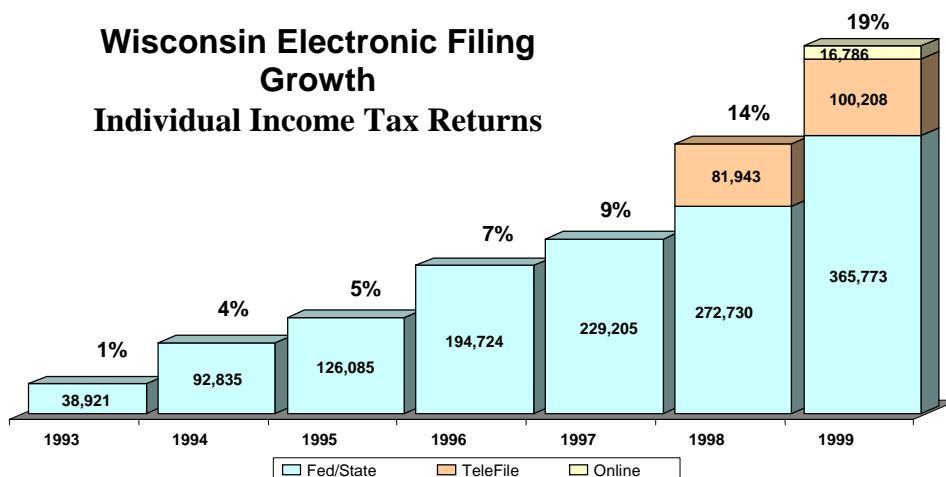
This information may be faxed to (608) 264-6884 or mailed to Wisconsin Department of Revenue, Electronic Filing Office, P.O. Box 8977, Madison, WI 53708-8977.

### New for 2000 Filing Season!

- Farmland Preservation Credit will be accepted as part of the electronic return.
- Quicken Tax Freedom Project, a FREE web-based tax preparation and electronic filing service is available to taxpayers with adjusted gross income of \$20,000 or less, or taxpayers filing a Federal form 1040EZ. Details are on the DOR web site.

### Questions?

For more information on any electronic filing option, visit the Department's Internet web site at [www.dor.state.wi.us](http://www.dor.state.wi.us) or contact the Electronic Filing Office at [efiling@dor.state.wi.us](mailto:efiling@dor.state.wi.us) or call (608) 264-6886.



Percentages are the percentages of total returns filed. [www.dor.state.wi.us](http://www.dor.state.wi.us)

## Effect of 1999 Wisconsin Act 10 on Underpayment of Estimated Tax Interest

In addition to creating a rebate of 1998 sales tax, 1999 Wisconsin Act 10 eliminated the school property tax/rent credit for the taxable year 1999 and thereafter. Act 10 became law on November 19, 1999.

As a result, the Wisconsin income tax law contained a school property tax/rent credit for the taxable year 1999 at the time the first three quarterly installment payments of 1999 estimated tax became due (on April 15, June 15, and September 15, 1999, respectively). Subsequently, when 1999 Wisconsin Act 10 became law on November 19, 1999, that credit was eliminated.

The elimination of the school property tax/rent credit for 1999 was not something that could have been anticipated at the time individuals were required to compute their estimated tax payments for 1999. As a result, taxpayers may have underestimated their 1999 tax liability by up

to \$200 (the maximum school property tax/rent credit provided by the law that was in effect at the time 1999 estimated tax payments were required to be computed). The resulting \$200 shortfall in 1999 estimated tax payments could cause some individuals to become liable for underpayment of estimated tax interest (that is, the 12% underpayment of estimated tax interest provided by sec. 71.84, Wis. Stats.), and increase the amount of that interest.

The department has determined that it would be inequitable to impose underpayment of estimated tax interest for the 1999 taxable year to the extent that an underpayment is attributable to elimination of the school property tax/rent credit for 1999. Therefore, individuals will be deemed to have an additional \$200 in credits for 1999 for purposes of computing underpayment of estimated tax interest. The instructions for line 4 of the 1999 Wisconsin Schedule U have been modified to reflect this policy. [\[E\]](#)



## Tips to Speed Refund Processing

If you have a refund coming on your 1999 Wisconsin income tax return and want your return processed as quickly as possible, you can help by following the tips listed below.

### File Early

The time it takes to issue a refund varies greatly, depending on when the return is received. Refunds for returns that are not adjusted are issued in an average of 2 weeks for returns received from January to mid-February, 4 weeks for returns received from mid-February to mid-March, 5 weeks for returns received from mid-March to mid-April, and 8 weeks for returns received mid-April and after.

### File Electronically

There are many good reasons to file your Wisconsin return electronically. It's fast and safe, it's documented, it's easy, and it's accurate. For more information, see the article titled "Electronic Filing – Setting the Pace for the Future" on page 6 of this Bulletin.

### Use the Quick Refund Program

Under the Quick Refund Program, refunds are issued in as little as two weeks. Returns are checked for accuracy

later, and an adjustment notice is mailed at that time, if necessary. To qualify for a quick refund, you must:

- File a signed and complete 1999 Form WI-Z, 1A, or 1, by April 1, 2000.
- Use the department-printed mailing label with no changes.
- Be sure your correct name and address are on the label you are using.
- Have a Wisconsin address on the label.
- Enter the refund amount (including cents) in the quick refund box at the top of the return.
- Not claim homestead credit, and owe no delinquent taxes or debts to other state agencies.
- Mail the return to Quick Refund, P.O. Box 38, Madison, WI 53787-0001.

### Use Your Label

Apply the department-printed name and address label to the tax return you file. Here are some more tips:

- Use the label even if you are filing a computerized return or a return completed by a preparer.



- Fill in your social security number (and your spouse's, if applicable) on the tax return, since it is no longer on the label.
- Draw a line through incorrect information and make corrections on the label.
- If you received a postcard with a label instead of forms, transfer that label to the return.
- Use the Wisconsin label, not the federal IRS label.
- Be sure the label is yours, not another taxpayer's.
- Make entries legible and on the correct lines.
- Attach the correct withholding statements.
- Claim only Wisconsin tax withheld, not federal tax, social security, or tax withheld for another state.
- Attach **all** necessary supporting schedules.
- Attach a **complete** copy of your federal return and schedules if you file on Form 1 or 1NPR.
- Attach a completed rent certificate or a copy of your 1999 property tax bill if you are claiming homestead credit.
- For more tips, see "Individual income tax returns" in the attachment "Avoid Errors on Tax Returns and Credit Claims," on page 45 of this Bulletin. [☞](#)

### File an Accurate and Complete Return

Avoid errors and delays in processing your tax return by following these tips:

### How to Obtain Wisconsin Tax Forms

Tax preparers and others requiring more than 6 of any one Wisconsin tax form or more than 29 total Wisconsin forms must use a forms order blank, Form P-744. The original of the completed order blank must be sent to the department. You can obtain a Form P-744 by writing, calling, or faxing your request to the department at the address or phone number listed below under "To Receive Forms in the Mail."

You can obtain up to 6 of any one Wisconsin tax form or a total of 29 Wisconsin forms by visiting any Department of Revenue office or by contacting the department by mail, by phone, or by fax. These limits are imposed in order to maintain a supply of forms for others. You can also receive forms via your fax machine or the Internet.

Some libraries, banks, and post offices have forms during the filing season. Most libraries have a copy of Wisconsin Package WI-X, from which most Wisconsin tax forms can be photocopied.



#### To Pick Up Forms at a Department of Revenue Office

If you want to pick up forms at a department office, you may visit any of the department's 35 offices (including two locations in Madison). The office locations and hours of service are listed in the article titled "Department Offers Taxpayer Assistance" on page 16 of this Bulletin (assistance is also available at these offices).



#### To Receive Forms in the Mail

You can request that forms be mailed to you (indicate which forms you want, the year, and how many) by:

- Writing to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8951, Madison, WI 53708-8951;
- Calling the department in Madison at (608) 266-1961; or
- Faxing your request to the department at (608) 261-6913.



#### To Receive Forms Via Your Fax Machine

You can receive forms via your fax machine by using the department's Fax-A-Form system. Individual income tax, homestead credit, farmland preservation credit, corporation franchise and income tax, estate tax, fiduciary income tax, and partnership forms and instructions for 1995 through 1999 are available via Fax-A-Form. For sales/use, withholding, and alcohol beverage taxes, only 1999 forms and instructions are available. In addition, 1995 through 1999 amended individual income tax forms and instructions are available, as well as publications published by the department (see the article titled "Tax Publications Available" on page 17 of this Bulletin).

**To use Fax-A-Form**, call (608) 261-6229 from the handset of your fax machine or the touch-tone telephone

of your fax modem (don't press "start" yet). If your fax machine does not have a handset, use the keypad if tones are transmitted, or connect a touch-tone telephone if tones aren't transmitted. Follow the voice prompts and enter the retrieval codes for the items you want, using the keypad. Press "start," "send," or "copy" (fax modem users click on "manual receive"). You must leave the handset of your telephone or fax machine off the hook the entire time the forms are being faxed to you.

Fax-A-Form is available 24 hours a day, 7 days a week. The department does not charge a fee for this service (though you will have to pay your normal telephone

charges and fax machine operating costs). If you have questions, you may write to Cindy Breneman, Fax-A-Form Coordinator, Wisconsin Department of Revenue, P.O. Box 8951, Madison, WI 53708-8951, or call (608) 267-2025.



### To Receive Forms Via the Internet

Most forms and instructions are available on the Internet. If you have Internet access you can download and print the forms 24 hours a day, throughout the year.

The department's Internet web site address is [www.dor.state.wi.us](http://www.dor.state.wi.us). 

## How to Obtain Copies of Your Tax Returns

### What Is Available

Upon request, the Department of Revenue will provide taxpayers with copies of their previously filed tax returns (or information regarding them). Copies of returns or information are generally mailed within 10 days after a request is received.

The chart at the end of this article lists returns and information that are available, and the number of prior years for which they are available.

When a copy is requested, a copy of the federal return will also be provided if it is a part of the Wisconsin return. Wage statement copies are not always available with Forms 1A and WI-Z.

Copies of tax returns are generally available within four months after the returns are filed.

### Who May Request Copies

Taxpayers, partners in a partnership, or corporation officers may request copies of their own tax returns. Other persons may also request copies, if they provide a power of attorney form or other written authorization, signed by the taxpayer, partner, or corporation officer, and specifying the type of tax return and periods requested. A photocopy or fax copy of an authorization is not acceptable unless the authorization specifically states that copies have the same force as the original.

Requests for copies of a deceased taxpayer's tax returns must include a certified domiciliary letter and be signed by the personal representative of the estate. If there is no

estate, a certified copy of the death certificate and a statement of the reason for the request are required.

### Fees

The fee is \$5.00 for each return or information request. There is an additional fee of \$1.00 per return for a certified copy. **Payment must be sent with the request.** Checks or money orders should be made payable to "Wisconsin Department of Revenue."

### How to Request

All requests for copies of returns or information must be made in writing or in person. Requests by telephone or fax machine will not be accepted.

Requests must include the following:

1. Name on the requested tax return.
2. Social security number (including spouse's social security number, if applicable), or other identification number of the taxpayer.
3. Type of return and year(s) or period(s) of the tax return being requested.
4. Name and address to which the copies are to be mailed.
5. Signature of the taxpayer, partner, corporation officer, or authorized representative.
6. Payment of appropriate fees for requested information.

### Where to Direct Requests

**Written Requests:** Mail your request to Wisconsin Department of Revenue, Central Files Section, P.O. Box 8903, Madison, WI 53708-8903.

*In-Person Requests:* Make your request at the Department of Revenue, Audit Bureau, 4638 University Avenue, Room 132, Madison, Wisconsin. Office hours are 7:45 a.m. to 4:30 p.m. Proper identification (for example, a driver's license) is required.

### Questions

If you have questions, you may call the Department of Revenue in Madison, at (608) 267-1266.

Returns/Information Available	# of Years
corporation tax returns	6
gift tax reports	5
homestead credit claims	10
individual income tax returns	4
(electronically filed)	9
(microfilmed)	10
insurance tax returns	6
microfiche tax roll worksheets	30
partnership tax returns	4
sales/use tax returns	10
trust fiduciary returns	4
withholding statements	5
(microfilmed withholding tax returns)	10



### Do You Need a Speaker?

Are you planning a meeting or training program? The Department of Revenue's Speakers Bureau provides speakers to business, community, and educational organizations.

Department representatives are available to speak on a variety of topics that can be targeted toward your group's particular areas of interest, including:

- New sales/use, income, and corporate tax laws.
- How sales tax affects contractors, manufacturers, nonprofit organizations, or businesses in general.
- What to expect in an audit.
- Common errors discovered in audits.
- Manufacturing property assessment.
- Homestead credit.

To arrange for a speaker, please write to Wisconsin Department of Revenue, Speakers Bureau, P.O. Box 8933, Madison, WI 53708-8933, or you may call (608) 266-1911.



### 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 February, March, and May. The seminars will include information on differences between the two states' laws. The February and March seminars apply to contractors, and the seminars in May are for general businesses.

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

\*\*\*\*\*

February 29, 2000 – Duluth, MN  
Minnesota Department of Revenue Office  
2711 West Superior Street

\*\*\*\*\*

March 7, 2000 – Hudson, WI  
Hudson House  
1616 Crestview Drive

\*\*\*\*\*

March 14, 2000 – Onalaska, WI  
Onalaska Omni Center  
255 Rider Club Street

\*\*\*\*\*

May 2, 2000 – Duluth, MN  
Minnesota Department of Revenue Office  
2711 West Superior Street

\*\*\*\*\*

May 9, 2000 – Hudson, WI  
Hudson House  
1616 Crestview Drive

\*\*\*\*\*

May 16, 2000 – Onalaska, WI  
Onalaska OmniCenter  
225 Rider Club Street



### Information or Inquiries?

Listed below are telephone numbers to call if you wish to contact the Department of Revenue about any of the taxes administered by the Income, Sales, and Excise Tax Division. A comprehensive listing of telephone numbers and addresses appears in *Wisconsin Tax Bulletin 113* (April 1999), pages 33 to 36.

#### Madison — Main Office Area Code (608)

Appeals .....	266-0185
Audit of Returns: Corporation, Individual, Homestead.....	266-2772
Beverage .....	266-6702
Cigarette, Tobacco Products .....	266-8970
Copies of Returns.....	267-1266
Corporation Franchise and Income .....	266-1143
Delinquent Taxes .....	266-7879
Electronic Filing .....	264-9959
Electronic Funds Transfer.....	264-9918
Estimated Taxes.....	266-9940
Fiduciary, Estate .....	266-2772
Forms Request:	
Taxpayers.....	266-1961
Practitioners .....	267-2025
Fax-A-Form .....	261-6229
Homestead Credit .....	266-8641
Individual Income .....	266-2486
Motor Vehicle Fuel.....	266-3223
Refunds .....	266-8100
Sales Tax Rebate.....	267-9240
or toll-free .....	(877) 973-2283
Sales, Use, Withholding.....	266-2776
TTY.....	267-1049

#### District Offices

Appleton.....	(920) 832-2727
Eau Claire .....	(715) 836-2811
Milwaukee:	
General.....	(414) 227-4000
Refunds .....	(414) 227-4907
TTY.....	(414) 227-4147



### Don't Forget Due Dates for Information Returns

Various information returns must be filed with the Wisconsin Department of Revenue by January 31. Others are due February 29 or March 15.

Information returns due January 31, 2000, include Form W-2 to report wages, tips, and other compensation, and Form W-2G to report gambling winnings.

Information returns due February 29, 2000, include Wisconsin Form 9b (or federal Form 1099-R or Form 1099-MISC) to report retirement plan distributions and other nonwage compensation, or for payers other than corporations to report rents or royalties.

Information returns due March 15, 2000, by **corporations** include Form 9b or federal Form 1099-MISC to report rents or royalties, and Form 8 to report capital stock transfers.

Regardless of the due date for filing the information returns with the department, copies of the information returns (except Form 8) must be given to the recipients of the payments by January 31, 2000. Copies of Form 8 are not required to be given to individuals who transfer capital stock.

Additional information is available in Wisconsin Publication 117, *Guide to Wisconsin Information Returns*. See the article titled "Tax Publications Available" on page 17 of this Bulletin for information about how to obtain a copy of the publication. [☞](#)



### Focus on Publications: Barber and Beauty Shops

How do Wisconsin sales and use taxes affect barber and beauty shops? What are some examples of taxable and exempt sales and purchases?

Answers to these and other questions relating to barber and beauty shops can be found in a new publication, Publication 225 – *Barber and Beauty Shops – How Do Wisconsin Sales and Use Taxes Affect Your Operations?* Publication 225 also includes information about special situations and other helpful information.

Copies of Publication 225, as well as more than 60 other publications published by the department, can be obtained at any Department of Revenue office, by mail or fax, or via the Internet. See the article titled "Tax Publications Available" on page 17 of this Bulletin for details. [☞](#)



## Caretaker Supplement Recipients Can Receive Homestead Credit

Persons who receive Caretaker Supplement payments may be eligible to receive Wisconsin homestead credit benefits. Caretaker Supplement payments replaced AFDC payments when AFDC was eliminated in 1997.

Caretaker Supplement payments are paid monthly as an increase in State Supplemental Security Income (State SSI) payments. The payments are available to parents caring for a child (in their home) who is eligible for Medical Assistance. Payments were \$100 per month for each qualifying child from January through October 1999. In November 1999, the payments increased to \$250 per month for the first qualifying child and \$150 per month for each additional qualifying child.

Persons who now receive Caretaker Supplement payments were generally not eligible for homestead credit in prior years, when they received AFDC. However, as Caretaker Supplement recipients, those who otherwise qualify for homestead credit may file a homestead credit claim, Schedule H. Persons who were eligible for homestead credit for prior years may file a Schedule H up to four years after the due date of an income tax return for that year. For example, since a 1997 income tax return was due April 15, 1998, a 1997 homestead credit claim may be filed any time on or before April 15, 2002. [☞](#)

## IRS Mileage Rates for 2000 Apply for Wisconsin



The Internal Revenue Service (IRS) has provided optional standard mileage rates for 2000, for computing automobile expenses for business, charitable, medical, and moving expense purposes. These rates also apply for Wisconsin.

For 2000 the IRS has increased the business standard mileage rate from 31¢ per mile to 32.5¢ per mile for all business miles driven. The 32.5¢ per mile rate is allowed without regard to whether the automobile was previously considered fully depreciated.

If the standard mileage rate of 32.5¢ per mile is used, depreciation is considered to be allowed at 14¢ per mile for 2000, an increase from 12¢ per mile for 1999. However, no portion is considered to be depreciation after the adjusted basis of the automobile reaches zero.

For 2000 the mileage rate allowed for calculating automobile expenses for charitable deduction purposes remains at 14¢ per mile. The rate for medical expense and moving expense deductions remains at 10¢ per mile. [☞](#)



## Avoid Errors on Tax Returns and Credit Claims

Are your tax returns and credit claims filed without errors, and do they include all the schedules and information necessary for the department to accurately process them? Many errors are discovered each year, either in processing or in subsequent audits by the department.

In the 1999 processing season (1998 returns and claims), the department sent back nearly 42,000 tax returns and credit claims. Processing was delayed on another 85,000 forms, to obtain additional information from taxpayers or claimants. Over half a million tax returns and credit claims were adjusted during the processing of those forms.

Errors discovered in auditing tax returns and homestead credit claims resulted in the collection of over \$127 million in the fiscal year ending June 30, 1999. This includes taxes, excess credits, penalties, and interest. (Note: Included in this total is approximately \$63 million of sales and use taxes.)

Listed in an attachment on pages 45 to 48 of this Bulletin are dozens of tips for preparing error-free tax returns and credit claims. Following these tips will help avoid annoying processing delays, as well as letters from the department's auditors. [☞](#)

## Schedule 3K-1s — File on Magnetic Media

Partnerships with 50 or more partners are encouraged to file their Wisconsin Schedule 3K-1s, "*Partner's Share of Income, Deductions, etc.*," on magnetic media. The types of magnetic media allowed include magnetic tape, cartridge, CD, and diskette.

If your Schedule 3K-1s are prepared by software, ask your software company if they can provide these documents on magnetic media rather than on paper. Filing on magnetic media will save both preparers and the department valuable resources, such as paper, shipping costs, and processing time. It's another way the department is streamlining your process of filing tax returns.

To get information and specifications for filing your Form 3K-1s magnetically, contact:

Kris Schmid  
Wisconsin Department of Revenue  
Tax Processing Bureau  
PO Box 8903  
Madison WI 53708-8903

Phone: (608) 264-7765

Email: [kschmid@dor.state.wi.us](mailto:kschmid@dor.state.wi.us) [☞](#)

## Form 1099-Gs and 1099-INTs Mailed to Taxpayers

The Department of Revenue is mailing approximately 640,000 Form 1099-Gs and 1,000 Form 1099-INTs in January 2000. Federal law requires that the department provide 1999 Form 1099-Gs to persons who received a Wisconsin income tax refund in 1999 and claimed state income tax payments as an itemized deduction on the federal tax return for the year to which the refund applies. Form 1099-INTs must be provided to persons who received \$600 or more of interest on refunds issued by the Department of Revenue.

Regardless of whether a taxpayer is sent a Form 1099-INT, the taxpayer must report all interest received from the department in 1999 as income on his or her 1999 federal and Wisconsin tax returns.

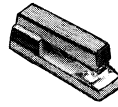
All or a portion of a state income tax refund from Form 1099-G may be included in federal taxable income. However, **the refund should not be included** in Wisconsin taxable income.

Form 1099-G explains how the refund reported to the Internal Revenue Service (IRS) was determined. The first line shows the amount of the refund. Subsequent lines show adjustments for: amounts applied to next year's estimated taxes; endangered resources donations; late filing penalties and interest; homestead, farmland preservation, farmland tax relief, and earned income credits; retirement plan penalties; and other adjustments. The last line shows the refund reported to the IRS. [!\[\]\(a870788d6ed9b8fd294b7654a8c8526b\_img.jpg\)](#)

## Withholding Tax Update Sent to Employers

The annual Withholding Tax Update was sent in December 1999, along with Forms WT-7, *Employer's Annual Reconciliation of Wisconsin Income Tax Withheld from Wages*, to employers registered to withhold Wisconsin taxes.

A copy of the Withholding Tax Update appears on pages 49 and 50 of this Bulletin. [!\[\]\(6059a5aa8b4ca7bb793408023d6c6e42\_img.jpg\)](#)



## Attaching Copy of Federal Return

Individuals who file their Wisconsin income tax return on Form 1 or 1NPR are required to attach a copy of their federal income tax return to their Wisconsin return. Generally this will be a copy of federal Form 1040, 1040A, or 1040EZ. However, some Wisconsin filers are not required to file a federal return with the Internal Revenue Service (IRS), or they may use a Form 1040PC or TeleFile to report to the IRS.

### Federal Form 1040PC or TeleFile Filers

Form 1040PC is the federal return prepared on a personal computer. The computer prints the return in a three-column "answer sheet" format. It prints line numbers and dollar amounts only for lines on which an entry is made. Federal Form 1040PC filers may attach a copy of the Form 1040PC to their Wisconsin Form 1 or 1NPR in lieu of federal Form 1040, 1040A, or 1040EZ.

Some taxpayers who file their Wisconsin return on Form 1 or 1NPR file their federal return by phone, using the federal TeleFile system. These taxpayers, who are not required to submit a paper tax return to the IRS, may attach a copy of their federal TeleFile Tax Record to their Wisconsin Form 1 or 1NPR in lieu of federal Form 1040, 1040A, or 1040EZ.

### Taxpayers Not Required to File With the IRS

Some taxpayers who are required to file a Wisconsin income tax return are not required to file a federal income tax return with the IRS. For example, a single person under age 65, with gross income of at least \$5,280 but less than \$7,050 for 1999, must file a 1999 Wisconsin return but is not required to file a 1999 federal return.

In this situation, since the person would not have a copy of a federal return to attach to the Wisconsin return, a statement listing the sources and amounts of income must be attached to the Wisconsin Form 1 or 1NPR in lieu of a federal return.

**Note:** Because the Wisconsin tax forms refer to various lines on the federal return, a person may find it helpful to complete a federal income tax form to use as a reference when completing the Wisconsin return. This federal form, even though it will not be filed for federal tax purposes, may be attached to the Wisconsin return instead of the required statement of income. [!\[\]\(166772600a13ad0a433053f90fe45649\_img.jpg\)](#)



## Visit the Department of Revenue Internet Site!

You can receive updated Wisconsin tax information via the Internet, by accessing the Department of Revenue's web site at [www.dor.state.wi.us](http://www.dor.state.wi.us). This site contains several valuable types of information to assist you and numerous opportunities to contact the department, which are listed below:

**About Us:** Organization charts, responsibilities, and other information about the department's Divisions and Bureaus.

**Contact Us:** Office locations, hours, and telephone and FAX numbers. Also, e-mail addresses for questions about specific tax types.

**Electronic Filing:** E-filing options for either personal or professional preparers, TeleFile, and future projects/pilots.

**Employment:** Available positions, exam schedules, seasonal jobs, internship opportunities, and applications.

**Events/Training:** Information about contacting the Speakers Bureau for a speaker, plus information on assessor training and other training opportunities.

**FAQs:** Answers to a wide variety of tax questions with e-mail links available for additional questions. You can also check on the status of a refund.

**Forms:** Income tax, sales and use tax, withholding, and other tax forms, draft copies of tax forms, and local government forms. Links to the IRS and other state revenue departments.

**Links:** Links for other state agencies, federal agencies, and tax-related organizations.

**Press Releases:** The latest news at the department.

**Publications:** Wisconsin Tax Bulletins (WTBs), Sales and Use Tax Reports, Withholding Tax Update, Tax Publications, Local Government Publications, and Real Estate Transfer information.

**Reports/Data:** A variety of reports on sales and use tax collections, economic forecasts, state and federal spending of income tax, tax exemptions, and equalized values.

**Search:** Search the entire department's web site with keywords of your choice.

**Survey:** Gives visitors an opportunity to voice their opinion on what's good and what's not so good about the web site, and to suggest ideas for improving it. It also tells the department more about visitors to the web site.

If you would like additional information about the department's web site, contact the Department of Revenue Internet/Intranet Coordinator, Mary Lou Clayton, at (608) 261-2272. [☎](#)

## Question and Answer



**Q** The Form 1 has a space for entering my daytime phone number. Do I have to enter a number?

**A** You are not required to provide your daytime phone number. However, providing your phone number may help speed the processing of your return if the department has a question that can be answered over the phone.

**Q** My wife and I are filing a joint return. We have different daytime phone numbers. Which number should I enter on my Form 1?

**A** You may enter either your or your spouse's daytime phone number when filing a joint return. [☎](#)



## Department Offers Taxpayer Assistance

Department personnel will be available through April 17, 2000, to provide taxpayer telephone and walk-in assistance. Assistance is provided Monday through Friday in the larger offices, and Mondays only in other offices (except as noted in the chart below).

In addition, assistance hours will be extended in five offices during March and April, 2000. Offices will be open from 9:00 a.m. to 3:00 p.m. on Saturdays, from March 11 through April 15, in Madison (University Ave. only), Milwaukee, Appleton, Green Bay, and Eau Claire. The Madison office will also be open evenings on Monday through Thursday, until 6:00 p.m. from March 6 through April 6, and until 7:00 p.m. from April 10 through April 13. All five of the offices will be open until 7:00 p.m. on Monday, April 17.

### Offices Providing Daily Assistance

	Location	Address	Telephone No.	Hours
*	Appleton	265 W. Northland Ave.	(920) 832-2727	7:45-4:30
*	Eau Claire	718 W. Clairemont Ave.	(715) 836-2811	7:45-4:30
*	Green Bay	200 N. Jefferson St., Rm. 526	(920) 448-5179	7:45-4:30
*	Kenosha	4003 80th St., Ste. 102	(262) 697-5860	7:45-4:30
*	Madison	125 S. Webster St.	NONE	8:00-4:30
*	Madison	4638 University Ave.	(608) 266-2772	7:45-4:30
*	Milwaukee	819 N. Sixth St., Rm. 408	(414) 227-4000	7:45-4:30
*	Racine	616 Lake Ave.	(262) 638-7500	7:45-4:30
*	Waukesha	141 N.W. Barstow St.	(262) 521-5310	7:45-4:30

### Offices Providing Assistance on Mondays Only (unless otherwise noted)

	Location	Address	Telephone No.	Hours	
	Baraboo	1000 Log Lodge Ct.	(608) 356-8973	7:45-4:30	
	Beaver Dam	220 Seippel Blvd.	(920) 356-6090	7:45-4:30	
	Elkhorn	715 W. Walworth St.	(414) 723-4098	7:45-4:30	
	Fond du Lac	845 S. Main, Ste. 150	(920) 929-3985	7:45-4:30	
	Grafton	1930 Wisconsin Ave.	(262) 375-7948	7:45-4:30	
	Hayward	100 Ranch Rd.	(715) 634-8478	7:45-1:00	
	Hudson	1810 Crestview Dr., Ste. 1B	(715) 381-5060	7:45-4:30	
	Janesville	101 E. Milwaukee, Rm. 525	(608) 758-6190	7:45-4:30	†
*	La Crosse	620 Main St., Rm. 213	(608) 785-9720	7:45-4:30	†
	Lancaster	130 W. Elm St.	(608) 723-2641	7:45-4:30	
	Manitowoc	914 Quay St.	(920) 683-4152	7:45-4:30	
	Marinette	Courthouse, 1926 Hall Ave.	(715) 732-7565	9:00-1:00	
	Marshfield	300 S. Peach Ave., Ste. 4	(715) 387-6346	7:45-4:30	
	Monroe	1015 18th Ave., Ste. B111	(608) 325-3013	7:45-1:00	
	Oshkosh	515 S. Washburn, Ste. 105	(920) 424-2100	7:45-4:30	
	Rhineland	203 Schiek Plaza	(715) 365-2666	7:45-4:30	
	Rice Lake	11 E. Eau Claire St., Ste. 4	(715) 234-7889	7:45-4:30	
	Shawano	1340 E. Green Bay St., Ste. 2	(715) 526-5647	7:45-4:30	
	Sheboygan	807 Center Ave.	(920) 459-3101	7:45-4:30	
	Superior	1225 Tower Ave., Ste. 315	(715) 392-7985	7:45-4:30	
	Tomah	203 E. Clifton	(608) 372-3256	7:45-1:00	
	Watertown	600 E. Main St.	(920) 262-2700	7:45-1:00	
	Waupaca	644 Hillcrest Dr., Ste. 2	(715) 258-9564	7:45-1:00	
	Wausau	710 Third St.	(715) 842-8665	7:45-4:30	
	West Bend	120 N. Main St., Ste. 170	(262) 335-5380	7:45-4:30	
	Wisconsin Rapids	830 Airport Ave.	(715) 421-0500	9:00-4:30	

\* Open During noon hour

† Open Monday, Tuesday, and Wednesday





## Tax Publications Available

Listed below are more than 60 publications which are available, free of charge, from the Department of Revenue. Copies are available at any department office, or by mail, fax, or (in many cases) the Internet.

### *By Mail*

Write to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8903, Madison, WI 53708-8903; call (608) 266-1961; or fax a request to (608) 261-6239.

### *Via Your Fax Machine*

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

### *Via the Internet*

Access the department's Internet web site at [www.dor.state.wi.us](http://www.dor.state.wi.us), and click on "Forms and Publications."

### Income and Franchise Taxes

- 102 Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders (12/99)
- 103 Reporting Capital Gains and Losses for Wisconsin by Individuals, Estates, Trusts (11/99)
- 104 Wisconsin Taxation of Military Personnel (11/99)
- 106 Wisconsin Tax Information for Retirees (10/99)
- 109 Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 1998 (11/99)
- 112 Wisconsin Estimated Tax and Estimated Surcharge for Individual, Estates, Trusts, Corporations, Partnerships (1/99)
- 113 Federal and Wisconsin Income Tax Reporting Under the Marital Property Act (10/97)
- 116 Income Tax Payments Are Due Throughout the Year (12/95)
- 119 Limited Liability Companies (LLCs) (12/99)
- 120 Net Operating Losses for Individuals, Estates, and Trusts (11/99)
- 121 Reciprocity (5/99)
- 122 Tax Information for Part-Year Residents and Non-residents of Wisconsin for 1999 (11/99)

- 123 Business Tax Credits for 1999 (1/00)
- 125 Credit for Tax Paid to Another State (11/99)
- 126 How Your Retirement Benefits Are Taxed (11/99)
- 600 Wisconsin Taxation of Lottery Winnings (10/97)
- 601 Wisconsin Taxation of Pari-Mutuel Wager Winnings (10/97)

### Sales and Use Taxes

- 200 Electrical Contractors - How Do Wisconsin Sales and Use Taxes Affect Your Business? (3/98)
- 201 Wisconsin Sales and Use Tax Information (12/99)
- 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)
- 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 (12/99)
- 211 Cemetery Monument Dealers - How Do Wisconsin Sales and Use Taxes Affect You? (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 - How Do Wisconsin Sales and Use Taxes Affect Your Operations? (1/00)
- 219 Hotels, Motels, and Other Lodging Providers - How Do Wisconsin Sales and Use Taxes Affect Your Operations? (4/99)
- 220 Grocers - How Do Wisconsin Sales and Use Taxes Affect Your Operations? (10/98)
- 221 Farm Suppliers and Farmers - How Do Wisconsin Sales and Use Taxes Affect Sales to Farmers? (4/97)

- 222 Motor Vehicle Fuel Users: Do You Owe Use Tax? (4/98)
- 223 Bakeries – How Do Wisconsin Sales and Use Taxes Affect Your Business? (2/98)
- 224 Veterinarians - How Do Wisconsin Sales and Use Taxes Affect Your Business? (6/99)
- 225 Barber and Beauty Shops – How Do Wisconsin Sales and Use Taxes Affect Your Operations? (12/99)

#### Other Taxes and Credits

- 127 Wisconsin Homestead Credit Situations and Solutions (11/99)
- 128 Wisconsin Farmland Preservation Credit Situations and Solutions (11/99)
- 400 Wisconsin's Temporary Recycling Surcharge (12/98)
- 403 Premier Resort Area Tax (2/98)
- 410 Local Exposition Taxes (2/99)
- 503 Wisconsin Farmland Preservation Credit (11/99)
- 508 Wisconsin Tax Requirements Relating to Nonresident Entertainers (8/94)
- W-166 Wisconsin Employer's Withholding Tax Guide (3/96)

#### Audits and Appeals

- 501 Field Audit of Wisconsin Tax Returns (9/99)
- 505 Taxpayers' Appeal Rights of Office Audit Adjustments (12/99)

- 506 Taxpayers' Appeal Rights of Field Audit Adjustments (9/99)
- 507 How to Appeal to the Tax Appeals Commission (7/98)

#### Other Topics

- 111 How to Get a Private Letter Ruling From the Wisconsin Department of Revenue (10/97)
- 114 Wisconsin Taxpayer Bill of Rights (11/97)
- 115 Handbook for Federal/State Electronic Filing (12/99)
- 117 Guide to Wisconsin Information Returns (10/99)
- 118 Electronic Funds Transfer Guide (4/96)
- 124 Petition for Compromise of Delinquent Taxes (7/98)
- 130 Fax A Form (9/99)
- 401 Extensions of Time to File (1/99)
- 500 Tax Guide for Wisconsin Political Organizations and Candidates (8/99)
- 502 Directory of Wisconsin Tax Publications (6/98)
- 504 Directory for Wisconsin Department of Revenue (11/98)
- 509 Filing Wage Statements and Information Returns on Magnetic Media (3/94)
- 700 Speakers Bureau presenting . . . (12/98) [🔗](#)

## Make Your Research Easier

Are you looking for an easy way to locate reference material to research a Wisconsin tax question? The *Wisconsin Topical and Court Case Index* may be just what you need.

This two-part index will help you find reference material relating to income, franchise, withholding, sales/use, estate, and excise taxes.

The "Topical Index" portion lists by tax type, alphabetically by subject, references to Wisconsin statutes, administrative rules, tax releases, private letter rulings,

publications, *Sales and Use Tax Reports*, Attorney General opinions, and *Wisconsin Tax Bulletin* articles.

The "Court Case Index" lists by tax type, alphabetically by subject, decisions of the Wisconsin Tax Appeals Commission, Circuit Court, Court of Appeals, and Wisconsin Supreme Court.

The *Wisconsin Topical and Court Case Index* is available by subscription for \$18 per year, plus sales tax. This includes a volume published in January and an addendum published in June. To order your copy, complete the order blank on page 81 of this Bulletin. [🔗](#)

## Prison Sentence for Tax Evasion

Susan M. Heffele, 49, the former office manager of an asbestos removal company, was sentenced in November 1999, for embezzlement and income tax evasion. She was sentenced to two years in prison for stealing \$218,000 from her former employer, Environmental Specialists, Inc. Circuit Court Judge Kitty K. Brennan also sentenced Heffele to 15 years in prison for tax fraud but stayed the additional years and ordered her to serve nine years of probation. In addition she must make restitution of \$218,815 to the former employer, as well as \$13,041 to the Wisconsin Department of Revenue for income taxes she evaded on the embezzled money.

Heffele had pled guilty in August 1999, to three counts of tax fraud and one count of theft. Between January 1994 and April 1997, she perpetrated the theft by writing over 380 checks which she deposited in her personal bank account or used to pay personal expenses. She concealed the theft by recording false entries in the business check register, indicating the payment of business expenses.

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In October 1999 Ronald K. Key, 62, a Prairie du Chien real estate agent, was sentenced on three counts of failure to file Wisconsin income tax returns for 1995, 1996, and 1997, and one count of theft. Key owed Wisconsin income tax of \$35,906. Crawford County Circuit Judge Robert P. Van de Hey sentenced Key to 90 days in county jail on the tax charges and five years in prison on the theft charge.

Key was found guilty of the income tax charges on July 6, 1999, and he was found guilty of the theft charge on July 14, 1999, after a jury trial. According to the criminal complaint, William and Joan Kramer paid Key \$49,837 between June 1994 and February 1996. Key was found to have misappropriated a substantial portion of this money.

In addition to these charges, Key has also been charged with eight other counts of theft, one count of extortion, and one count of unlawful receipt of payments to obtain a loan for another.

Failure to file a Wisconsin income tax return when due is a crime punishable by up to nine months imprisonment and up to \$10,000 in fines. In addition, Wisconsin law provides for substantial civil penalties on the tax liability. Assessment and collection of the taxes, penalties, and interest due follows a conviction for criminal violations.

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Also in October, Susan R. Kittleson, 29, of Milwaukee, pled guilty to two counts of tax fraud and two counts of misappropriation of identity. She was involved in a scheme in which she tried to steal \$88,756 from the Department of Revenue by filing 91 fraudulent homestead credit claims during 1997 and 1998. Kittleson faces a maximum of twenty years in prison.

According to the criminal complaint, Kittleson obtained the names and social security numbers of 30 elderly or mentally disabled persons who lived in group homes, or who participated in daytime activities, from three separate locations in Milwaukee. As a caregiver at the group homes, Kittleson had access to some of the residents' personal information and records. She used this information to file bogus homestead credit claims with a variety of addresses, including her own and those of friends who gave her permission to have her mail delivered to their homes. She attached phony rent certificates to the claims.

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Rhonda Lagoni, 49, the former director of the University of Wisconsin Medical School's Office of Clinical Trials, was charged in October 1999, with eight counts of theft for stealing more than \$600,000 in research money, along with four counts of tax evasion. She is accused of embezzling \$602,800 from the university from 1992 to 1997, and with tax evasion for the years 1995 to 1998.

According to the criminal complaint, Lagoni stole money that was supposed to be used for clinical drug trials conducted at the university and paid for by pharmaceutical companies. She is also accused of failing to report her salary, which was \$68,000 in 1998, on her state income tax returns for 1995, 1996, 1997, or 1998.

If convicted on all counts, Lagoni faces up to 100 years in prison and up to \$120,000 in fines. [!\[\]\(b792654f2cef9719eabeb6c5be00811e\_img.jpg\)](#)

## Administrative Rules in Process

Listed below are proposed new administrative rules and changes to existing rules that are currently in the rule adoption process. The rules are shown at their stage in the process as of January 1, 2000, or at the stage in which action occurred during the period from October 2, 1999, to January 1, 2000.

The listing includes rule numbers and names, and whether a rule is amended (A), repealed and recreated (R&R), or a new rule (NR).

To receive up-to-date administrative rules of the Department of Revenue, you can use the order blank on page 81 of this Bulletin to order the Tax section of the Wisconsin Administrative Code.

### Scope Statement Published (12/31/99)

2.82 Nexus – A

### Rules Sent to Legislative Council Rules Clearinghouse

11.20 Waste reduction and recycling–NR

**Rules Sent to Revisor for Publication of Notice** (Notice published 10/31/99)

11.96 Delivery of ordinance; county and premier resort area taxes–NR

### Rules Sent for Legislative Committee Review

11.67 Service enterprises–A

11.96 Delivery of ordinance; county and premier resort area taxes–NR

## Rules Being Reviewed Following Publication of Various Notices

1.13 Power of attorney–A

11.34 Occasional sales exemption for sale of a business or business assets–A

11.35 Occasional sales by nonprofit organizations–A

11.39 Manufacturing–A

11.535 Operators of a swap meet, flea market, craft fair or similar event–A

11.64 Background music–R&R

11.66 Telecommunications and CATV services–A

11.79 Leases of highway vehicles and equipment–A

### Rules Adopted and in Effect (effective 11/1/99)

11.03 Elementary and secondary schools and related organizations–A

11.05 Governmental units–A

11.11 Industrial or governmental waste treatment facilities–A

11.51 Grocers' guidelist–A

11.87 Meals, food, food products and beverages–A

11.94 Wisconsin sales and taxable transportation charges–A

### Emergency Rules Expired

(12/21/99)

11.20 Waste reduction and recycling–NR [§](#)

## Recently Adopted Rules Summarized

Summarized below is information regarding six recently revised sales and use tax rules. Included is information relating to Tax 11.03, 11.05, 11.11, 11.51, 11.87, and 11.94, all amended effective November 1, 1999.

In addition to the summary of changes, some of the text of the revised rules is reproduced. In the amendments, material lined through (~~lined through~~) represents deleted text, and underscored (underscored) material represents new text.

To order up-to-date administrative rules of the department, you can use the order blank on page 81 of this Bulletin to obtain the Tax section of the Wisconsin Administrative Code.

**Tax 11.03 Schools and related organizations.** The title is revised, to reflect that the section pertains to schools and school-related organizations other than elementary and secondary.

Subsection (1)(a)2. and 3. are renumbered (1)(a)3. and 2., to list the definitions in alphabetical order, per Legislative Council Rules Clearinghouse ("Clearinghouse") standards. Consequently, sub. (1)(b) is revised, to reflect the renumbering of sub. (1)(a)2.

Subsection (3)(c) is revised, to reflect current terminology relating to technical college districts.

Subsection (4)(a) is revised, to replace "vocational schools" with "technical colleges," to reflect the requirement that schools must be located in Wisconsin to qualify for the sales and use tax exemption, and to permit the exemption to



be claimed by schools by providing either an exemption certificate or a purchase order from the school.

Subsection (4)(c) is revised, to clarify that related organizations of public and private schools which are not subject to the control and supervision of school officials may still be exempt from Wisconsin sales and use tax if they have their own certificate of exempt status.

Subsection (4)(d) is created, to clarify that related organizations of public and private schools which are subject to the control and supervision of school officials may claim exemption from Wisconsin sales and use tax by providing an exemption certificate or purchase order from the school.

The second note at the end of Tax 11.03 is repealed, because it is obsolete.

The text of Tax 11.03(3)(c) and (4)(a), (c) and (d) is as follows:

Tax 11.03(3)(c) Sales of tangible personal property or taxable services by ~~vocational, technical and adult education schools~~ college districts.

(4)(a) ~~All public~~ Public schools, ~~vocational schools~~ technical colleges, state colleges and universities and public school districts, located in Wisconsin. This exemption may be claimed without use of an ~~An~~ exemption certificate. ~~A or a~~ purchase order shall be acceptable evidence of a sale's exempt status.

(c) Related organizations of private or public schools ~~having which have~~ certificates of exempt status, such as parent-teacher associations and student organizations which are not subject to the control and supervision of school officials.

(d) Related organizations of private or public schools, such as parent-teacher associations and student organizations which are subject to the control and supervision of school officials. An exemption certificate completed by the school or a school purchase order shall be acceptable evidence of a sale's exempt status.

**Tax 11.05 Governmental units.** Subsection (2)(a) and the example, sub. (2)(d) and sub. (3)(d) are revised, to provide additional information regarding the facilities to which admissions are taxable. Subsection (2)(d) is further revised, to update style per Clearinghouse standards.

A note is added at the end of sub. (2)(b), to reference Tax 11.51 for a list of taxable food products.

Subsection (2)(f) is revised, to reflect the renumbering of sub. (3)(p), as explained below.

Subsection (2)(i) is revised, to clarify that the paragraph applies to the rental of lodging facilities that are available to the public.

Subsection (3)(L) is revised, sub. (3)(m) to (u) are renumbered (3)(n) to (v) and new sub. (3)(m) is created, to reflect the change to s. 77.54(20)(c)5., Stats., by 1997 Wis. Acts 27 and 41, regarding sales of food, food products and beverages by institutions of higher education.

Subsection (3)(w) and (x) are created, to list additional items that are not taxable.

Subsection (4)(a) is revised, to reflect the exemption for purchases of joint local water authorities, as a result of the creation of s. 77.54(9a)(em), Stats., by 1997 Wis. Act 184.

Subsection (4)(b)2. and the note following are revised, to reflect the creation of a new multipurpose exemption certificate, Form S-211, which replaces various other exemption certificates.

Subsection (4)(b)3. is created, to reflect that a Wisconsin governmental unit may provide its certificate of exempt status number to a retailer to document that its purchases are exempt.

The text of Tax 11.05(2)(a) and (d), (3)(d), (L), (m), (w) and (x) and (4)(b)3. is as follows:

Tax 11.05(2)(a) Admissions to ~~recreational~~ facilities if the activity being conducted at the facility is amusement, athletic, entertainment or recreational in nature.

(d) Charges for access to or use of athletic facilities, such as baseball and softball diamonds, stadiums and gymnasiums, including entry fees and any charges for lights, heat, janitor fees and equipment, when used for activities which are amusement, athletic, entertainment or recreational in nature.

(3)(d) Rental of buildings or space, such as offices, warehouses and meeting rooms, not used for activities which are amusement, athletic, entertainment or recreational in nature.

(L) Meals, food, food products or beverages, except soda water beverages, fermented malt beverages and intoxicating liquor, sold by hospitals, sanatoriums, nursing homes, retirement homes, community-based residential facilities as defined in s. 50.01(1g), Stats., and day care centers under ch. 48, Stats., on their premises to patients, employees, residents or guests; ~~meals furnished in accordance with any contract or agreement by a public institution of higher education, including dormitory meals;~~ and meals sold to the elderly or handicapped by "mobile meals on wheels."

(m) Meals, food, food products or beverages, except soda water beverages, fermented malt beverages and intoxicating liquor, furnished in accordance with any contract or agreement by a public or private institution of higher education, or paid for to a public or private institution of higher education through the use of an account of the institution and furnished by the institution, if either of the following conditions is met:

1. The meals, food, food products or beverages are furnished to an undergraduate student, a graduate student or a student enrolled in a professional school if the student is en-

rolled for credit at that institution, provided the items are consumed by that student.

2. The meals, food, food products or beverages are furnished to a national football league team.

(w) Parking tickets.

(x) Charges for lessons.

(4)(b)3. Its certificate of exempt status number that the retailer should record on the invoice or other document it keeps as part of its records.

**Tax 11.11 Industrial or governmental waste treatment facilities.** Subsection (2)(b) is revised and sub. (2)(c) is repealed, to reflect the department's position that utilities consumed in operating waste treatment facilities qualify as supplies and are exempt from Wisconsin sales and use tax, based on the dictionary definition of "supply." Since the term is not defined in Ch. 77, Stats, when determining what items fall within the definition of "supplies" the common definition found in a standard dictionary is to be used. Upon examining the dictionary definition and the Wisconsin Tax Appeals Commission decision in *Cherney Microbiological Services, Ltd. v. Wisconsin Department of Revenue* (April 23, 1996), the department has determined that electricity is a supply that is exempt pursuant to s. 77.54(26), Stats.

Subsection (3)(intro.) is created, to provide a general explanation of the exemption provided in s. 77.54(26), Stats., for waste treatment facilities.

Subsection (3)(a)(title) is created, to identify the type of waste treatment facility to which this paragraph applies, and sub. (3)(a), (b) and (c) are renumbered (3)(a)1., 2. and 3., since they all apply to par. (a). Subsection (3)(d) is renumbered sub.(4) and revised, to add a title, to provide that the exemption for the repair, service, alteration, cleaning, painting and maintaining applies to both municipal and certain industrial waste treatment facilities, and to reflect the department's position that utilities purchased for municipal and certain industrial waste treatment facilities are exempt from Wisconsin sales and use tax.

New sub. (3)(b), (c) and (d) are created, to provide explanations of other types of waste treatment facilities which qualify for the exemption provided in s. 77.54(26), Stats.

Subsection (4) is renumbered sub. (5) as a result of the renumbering of sub. (3)(d) to (4), and sub. (5)(c) as renumbered is revised, to reflect correct punctuation per Clearinghouse standards. The note at the end of sub. (5)(a) as renumbered is revised, to provide the proper zip code for the mailing address of the Department of Revenue.

The first note at the end of Tax 11.11 is moved to follow the third note, to conform with Clearinghouse standards. The second note is revised, to reflect proper mailing addresses.

The text of Tax 11.11(3)(intro.), (a)(title), (b), (c) and (d) and (4) is as follows:

Tax 11.11(3)(intro.) **MUNICIPAL WASTE TREATMENT EXEMPTION.** Tangible personal property which becomes a component or ingredient part of the following municipal facilities that treat waste qualifies for exemption from Wisconsin sales and use tax under s. 77.54(26), Stats.:

(a)(title) *Wastewater treatment facility.*

(b) *Material recovery facility.* 1. A facility constructed by a municipality to meet mandates of ch. 287, Stats., regarding the reuse, recycling and recovery of waste material to reduce the need for waste disposal is exempt if the activities include all of the following:

a. Sorting recyclable materials delivered from municipalities.

b. Processing recyclable materials which may include removing contaminants, baling paper, shredding paper, pelletizing plastics and crushing glass.

c. Storing processed recyclable materials for sale to others.

2. The exemption does not apply if the only activities performed are sorting and storing and no processing of the materials takes place.

(c) *Sanitary landfill.* A sanitary landfill, including the treatment equipment, such as the collection and burner system, laboratory equipment, maintenance buildings, garages, office buildings, fences and gates, qualifies for exemption.

(d) *Groundwater facilities.* 1. A municipal facility constructed to treat hazardous or contaminated groundwater, including oil and water separators, air strippers, aerators, blowers, filters, carbon units, controls, thermal oxidizers and pumps, qualifies for exemption.

2. The collection system used to bring the hazardous or contaminated water to the facility and the distribution system used to carry the treated water away from the facility are not exempt.

(4) **REPAIR, SERVICE AND OPERATION.** The repair, service, alteration, cleaning, painting and maintenance of an industrial waste treatment facility described in sub.(2) and a municipal ~~central~~ waste treatment facility described in sub.(3), the repair parts and replacements ~~therefor,~~ for those types of facilities and chemicals and supplies and utilities used or consumed in operating ~~a waste treatment facility~~ those types of facilities are exempt from the sales and use tax.

**Tax 11.51 Grocers' guidelist.** Subsection (1) is revised, to reflect the renumbering of sub. (2)(c) as explained below.

Subsection (2)(a) and (b) are revised, to list additional items of taxable and exempt sales by grocery stores, to reflect current department policy relating to fruit juices, to reflect the treatment of "sandwiches" and to reference each of the paragraphs in sub. (3), as renumbered from sub. (2)(c) or as newly created. In addition, "beer making supplies" is removed from the list of taxable sales in sub. (2)(a) because it is misleading; certain exempt food items, such as

yeast, are used in making beer and could be considered “beer making supplies.”

Subsection (2)(c)(title) and 1. to 5. are renumbered sub. (3)(title) and (a), (b), (c), (d) and (g)1., sub. (2)(c)(intro.) is repealed and sub. (3)(intro.) is created, to place the contents of the paragraph in a separate subsection. The material in sub. (2)(c) is not a guidelist, as the title to sub. (2) suggests.

Subsection (3)(c) as renumbered is revised, to reflect current department policy relating to fruit juices.

Subsection (3)(d) as renumbered is revised, to conform style to Clearinghouse standards.

Subsection (3)(g)1. as renumbered is revised and sub. (3)(g)2. is created, to provide separate subdivisions for taxable and exempt deli sales and to remove language relating to sandwiches and meals, due to the creation of sub. (3)(e) and (f) as explained below.

Subsection (3)(e) and (f) are created, to provide definitions of “meal” and “sandwich,” respectively, as a result of the creation of s. 77.54(20)(bg)1. and 2., Stats., by 1997 Wis. Act 237.

Subsection (3)(h) is created, to provide that gross receipts from sales of certain prepackaged food combinations are not taxable, as a result of the creation of s. 77.51(4)(cm), Stats., by 1997 Wis. Act 237.

Subsection (3) is renumbered sub. (4), due to the renumbering of sub. (2)(c) to sub. (3).

The text of the revised portions of Tax 11.51(2)(a) and (b) and sub. (3)(title), (intro.), (c), (e), (f), (g) and (h) is as follows:

Tax 11.51(2)(a) ...  
~~Beer making supplies.~~  
 ...  
 Deli items, ~~see par. (e)5.~~ as explained in sub. (3)(g)2.  
 ...  
 Fruit drinks, ~~liquid and powdered, see par. (e)2. if not~~ pure fruit juice, as explained in sub. (3)(b).  
 ...  
 Greeting cards.  
Grilling supplies.  
 Grooming aids.  
 ...  
 Heated foods and beverages, ~~see par. (e)1.~~ as explained in sub. (3)(a).  
 ...  
 Household equipment and supplies.  
Hygiene products.  
 Ice, cube and block.  
 ...

Matches.  
Meals, as explained in sub. (3)(e).  
 Medicinal preparations.  
 ...  
 Powdered fruit drinks, ~~see par. (e)2.~~ as explained in sub. (3)(b).  
 ...  
 Sandwiches, hot or cold, but not frozen, as explained in sub. (3)(f).  
 ...  
 Soaps.  
Soda fountain items.  
 Soda water beverages, ~~see par. (e)2.~~ as explained in sub. (3)(b).  
 Soft drinks, ~~see par. (e)2.~~ as explained in sub. (3)(b).  
 (b) ...  
 Cream.  
Deli items, as explained in sub. (3)(g)1.  
 Desserts and toppings.  
 Dietary foods, ~~see par. (e)4.~~ as explained in sub. (3)(d).  
 ...  
 Frozen fruit juices, ~~see par. (e)3.~~ as explained in sub. (3)(c).  
 ...  
 Juices, pure fruit, ~~see par. (e)3.~~ as explained in sub. (3)(c).  
 ...  
 Potato salad, ~~see par. (e)5.~~ as explained in sub. (3)(g)1.  
 Poultry and poultry products.  
Prepackaged food combinations, as explained sub. (3)(h).  
 Preserves.

...  
 (3)(title) ~~EXPLANATIONS OF SOME ITEMS NOTED ABOVE TAXABLE AND EXEMPT SALES BY GROCERS.~~

(intro.) For purposes of sub. (2):  
 (c) Sales of pure fruit juices as defined in ch. 97, 1967 Stats., are not taxable. Fruit juices are the clean, unfermented liquid product obtained by the first pressing of fresh ripe fruits. The only permissible additives are sugar and one of the preservatives such as sodium benzoate, sorbic acid or sodium sorbate. Frozen concentrates conforming to the above description are also tax exempt. To be exempt, the title of the fruit juice on the label ~~shall generally will~~ contain the word juice to the exclusion of all other words such as cocktail, drink, punch, ade or nectar ~~in compliance with requirements set by the United States food and drug administration.~~ However, if a fruit juice label also contains the word cocktail, drink, punch, ade or nectar but is 100% pure fruit juice, the juice is not subject to Wisconsin sales tax.  
 (e)1. “Meals” include, but are not limited to, a diversified selection of food, food products or beverages that are customarily consumed as a breakfast, lunch or dinner, that may not easily be consumed without an article of tableware and that may not conveniently be consumed while standing or walking.  
 2. “Meals” do not include:  
 a. Frozen items that are sold to a consumer.  
 b. Items that are customarily heated or cooked after the retail sale and before they are consumed.

c. A diversified selection of food, food products and beverages that is packaged together by a person other than the grocer before the sale to the consumer.

(f)1. “Sandwiches” means a food that consists of a filling, such as meat, cheese or a savory mixture, that is placed on a slice, or between two slices, of bread or something that takes the place of bread, such as a roll, croissant or bagel.

2. “Sandwiches” include, but are not limited to:

a. Burritos, tacos, enchiladas or chimichangas.

b. Pita sandwiches, gyros and pocket sandwiches.

3. “Sandwiches” do not include:

a. Hors d’oeuvres or canapes.

b. Egg rolls.

c. Cookies, cakes, pies and similar desserts and pastries.

d. Food that is sold frozen.

(g)1. Deli sales for ~~off-premise~~ off-premise consumption sold by a weight or measure such as by the pound or the dozen, and not at a stated price for any particular combination of the separate ingredients which can be designated as either a meal or sandwich, are exempt. ~~Deli sales for off-premise consumption sold in a heated state or sold at a stated price for a combination of the separate ingredients designated as either a meal or sandwich are taxable. Sales of sandwiches are taxable. A meal usually consists of a diversified selection of foods which are not susceptible of consumption in the absence of at least some articles of tableware and which are not conveniently consumed while one is standing or walking.~~

2. Deli sales for off-premise consumption sold in a heated state or sold at a stated price for a combination of the separate ingredients designated as either a meal or sandwich are taxable.

(h)1. A combination of food, food products and beverages packaged together with other goods by a person other than the grocer before the grocer makes the sale to the final consumer is a “prepackaged food combination.”

2. If 50% or more of the sales price of a prepackaged food combination is attributable to goods that are exempt from Wisconsin sales and use tax, the total selling price of the combined package is exempt from Wisconsin sales and use tax.

**Example:** A grocery store sells to a consumer a package that contains crackers, meat, cheese, candy and a fruit drink that is not 100% pure fruit juice. The grocery store purchased the package from Company A. Of the grocery store’s \$2 selling price, \$1.50 is attributable to the meat, cheese and crackers, which are exempt items, and \$0.50 is attributable to the candy and fruit drink, which are taxable items. Since 50% or more of the selling price of the package is attributable to food that is exempt from Wisconsin sales and use tax, the entire \$2 selling price is exempt from Wisconsin sales and use tax.

3. If less than 50% of the sales price of a prepackaged food combination is attributable to goods that are exempt from Wisconsin sales and use tax, that portion of the selling price attributable to the taxable items is subject to Wisconsin sales and use tax.

**Example:** A grocery store sells to a consumer a package that contains a sandwich, pretzels, cookies and a fruit drink that is not 100% pure fruit juice. The grocery store purchased

the package from Company A. Of the grocery store’s \$2 selling price, \$1.50 is attributable to the sandwich and fruit drink, which are taxable items, and \$0.50 is attributable to the pretzels and cookies, which are exempt items. Since less than 50% of the selling price of the package is attributable to food that is exempt from Wisconsin sales and use tax, \$1.50 of the \$2 selling price attributable to taxable items is subject to Wisconsin sales and use tax.

### **Tax 11.87 Meals, food, food products and beverages.**

Subsection (1)(b) is revised, to include a reference to s. 77.54(20m), Stats., as created by 1997 Wis. Act 237.

Subsection (1)(e) and (f) are renumbered sub. (1)(f) and (e), to alphabetize definitions per Clearinghouse standards.

A note is added at the end of sub. (1)(h), to reference Tax 11.51 for lists of taxable and exempt items.

Subsection (2)(c) and the example are revised and a note is added, to clarify the taxability of meals.

Subsection (3)(a) is revised, to clarify the exemption for food and beverages sold by health care facilities.

Subsection (3)(c) is revised, to reflect the change to s. 77.54(20)(c)5., Stats., by 1997 Wis. Acts 27 and 41, regarding sales of food, food products and beverages by institutions of higher education.

The text of Tax 11.87(2)(c) and (3)(a) and (c) is as follows:

Tax 11.87(2)(c) ~~Food components of meals~~ Meals. Food items which comprise ~~or are components of~~ a meal shall be taxable food when sold ~~on a “take out” or “to go” basis and are packaged or wrapped and removed from the premises for consumption elsewhere for consumption either on or off the seller’s premises.~~

(3)(a) Health care facilities. Meals, food, food products or beverages, ~~except soda water beverages, fermented malt beverages and intoxicating liquor, sold on their premises by~~ hospitals, sanatoriums, nursing homes, retirement homes, community-based residential facilities as defined in s. 50.01(1g), Stats., or day care centers registered under ch. 48, Stats., and served on their premises. However, if an affiliated organization sells the items, the exemption does not apply.

(c) Institutions of higher education. Meals, food, food products or beverages, except soda water beverages, fermented malt beverages and intoxicating liquor, furnished in accordance with any contract or agreement by a public or private institution of higher education, or paid for to a public or private institution of higher education through the use of an account of the institution and furnished by the institution, if either of the following conditions is met:

1. The meals, food, food products or beverages are furnished to an undergraduate student, a graduate student or a student enrolled in a professional school if the student is en-



rolled for credit at that institution, provided the items are consumed by that student.


2. The meals, food, food products or beverages are furnished to a national football league team.

**Tax 11.94 Wisconsin sales and taxable transportation charges.** Subsections (1)(d) and (2)(a) are revised, to update style per Clearinghouse standards.

Subsection (2)(c) is revised, to reflect two Circuit Court decisions, *Rhineland Paper Company, Inc. vs. Wisconsin Department of Revenue* (97CV 1051, December 18, 1997) and *Trierweiler Construction and Supply Co., Inc. vs. Wisconsin Department of Revenue* (97CV 1444, December 12, 1997). The Circuit Court held that sales price does not include transportation costs separately incurred by the buyer

from a carrier independent of the retailer. Consequently, sub. (2)(d) and the example following are repealed, because the answer may vary, depending on the facts. Taxability must be determined on a case-by-case basis.

The text of Tax 11.94(2)(c) is as follows:

Tax 11.94(2)(c) A Wisconsin purchaser who purchases taxable goods without tax for use in Wisconsin is subject to the use tax or sales tax pursuant to s. Tax 11.14(2)(c) based on the “sales price” of the goods to the purchaser. The “sales price” shall include transportation charges paid by the Wisconsin purchaser to the seller for shipment of the goods to the purchaser. The “sales price” does not include transportation charges paid by the Wisconsin purchaser to a carrier independent of the seller when the purchaser arranges for the transportation. 



## Report on Litigation

Summarized below are recent significant Wisconsin Tax Appeals Commission (WTAC) and Wisconsin Court decisions. The last paragraph of each decision indicates whether the case has been appealed to a higher Court.

The following decisions are included:

### Individual Income Taxes

Business expenses – employe business expense	
Bad Debts	
<i>Philip and Patricia Sunich</i> .....	26
Declaratory judgment – partial veto	
<i>Glenn Schmidt</i> .....	27
Refunds claims for – statute of limitations	
<i>Kurt H. Van Engel</i> .....	27

### Individual and Fiduciary Income Taxes

Distributable net income	
<i>Edmund R. Gilson, et al.</i> .....	28

### Corporation Franchise and Income Taxes

Apportionment, payroll factor	
Interest income, United States obligations	
<i>Milwaukee Safeguard Insurance Co. and Milwaukee Guardian Insurance, Inc.</i> .....	29
Deductions, taxes – single business taxes	
<i>Delco Electronics Corporation</i> .....	30
Filing requirements, who must file – health maintenance organizations	
<i>Group Health Cooperative of Eau Claire, et al.</i> .....	30
Loss deductions (prior law)	
Interest on assessments and refunds	
<i>Madison Gas and Electric Company</i> .....	30

### Sales and Use Taxes

Containers	
<i>Luetzow Industries</i> .....	31
Motor vehicles and trailers - nonresident purchases	
<i>Johnson Welding &amp; Manufacturing Co., Inc. a/k/a Johnson Truck Bodies</i> .....	31
Officer liability	
<i>Fidelis Omegbu</i> .....	32

### Sales and Use Taxes, and Withholding of Taxes

Officer liability	
<i>Danny R. Senf</i> .....	32

### Withholding of Taxes

Officer liability	
<i>Val Anderson, Jr.</i> .....	33

### Drug Taxes

Drug tax, appeals – timeliness	
Drug tax, claim for refund	
<i>David L. Gilbert</i> .....	33

## INDIVIDUAL INCOME TAXES

**Business expenses – employe business expense; Bad debts.** *Philip and Patricia Sunich vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, September 14, 1999). The issues in this case are:

- A. Whether the taxpayers substantiated, as required by sec. 274 of the Internal Revenue Code (IRC), the unreimbursed employe vehicle expense deductions claimed on their 1991 to 1994 Wisconsin income tax returns.
- B. Whether the taxpayers substantiated a worthless debt under IRC sec. 166, deductible as a short-term capital loss on their 1993 and 1994 Wisconsin income tax returns.


During the period under review, 1991 to 1994, Philip and Patricia Sunich were both employed. On their income tax returns they claimed itemized deductions for employe business expenses from federal Form 2106. Among the claimed expenses were vehicle expenses based on a claimed percent of vehicle business use. The department allowed some of the claimed expenses but disallowed other expenses as unsubstantiated.

The department also disallowed the taxpayers' claimed capital losses of \$3,000 for 1993 and \$3,000 for 1994, with respect to a default judgment obtained against Frederick Bon in 1993. This consisted of a defaulted promissory note as well as an additional amount for Mr. Bon's failure to share the cost of utilities and food when he resided with the taxpayers.

The Commission concluded as follows:

- A. The taxpayers did not substantiate, as required by IRC sec. 274, the vehicle expense deductions disallowed by the department. They also did not substantiate the percentages they claimed for business use of their vehicle.
- B. The taxpayers did not substantiate the nonbusiness bad debt for Mr. Bon's failure to share the costs of utilities and food. They did substantiate the nonbusiness bad debt that became worthless in 1993. The allowed bad debt is deductible as a short-term capital loss of \$500 in 1993, with \$500 deductible as a carryover in 1994. Wisconsin's annual net loss limitation is \$500.

The taxpayer has appealed this decision to the Circuit Court. The department has not appealed the decision.


 **Declaratory judgment – partial veto.** *Glenn Schmidt vs. Cate S. Zeuske, Secretary of Revenue* (Circuit Court for Dane County, September 9, 1999). The matter before the Circuit Court is the plaintiff's motion for summary judgment. The plaintiff maintains that he is entitled to judgment as a matter of law on his declaratory judgment action. He requests that the Court grant declaratory relief finding Governor Tommy Thompson's partial vetoes creating secs. 9256 and 285c of 1997 Wisconsin Act 237 to be invalid.

The two challenged sections of 1997 Wisconsin Act 237 provide for a one-time expansion of Wisconsin's school property tax credit for the 1998 tax year. On June 2, 1998, Governor Tommy Thompson approved parts of 1997 Assembly Bill 768, which became 1997 Wisconsin Act 237.

In October 1998, the plaintiff filed a complaint seeking a declaratory judgment that the Governor's partial veto of the challenged sections is invalid, and that those sections have become law without the approval of the Governor, in the form in which they were passed and enacted by the Legislature. The plaintiff submits that the partial veto is invalid because it did not result in a complete and workable law, and because the result constitutes an unlawful delegation of legislative power to the defendant.

The Circuit Court denied the plaintiff's motion for summary judgment on his declaratory judgment action. The Court found that the Governor's partial vetoes creating secs. 9256 and 285c of 1997 Wisconsin Act 237 are valid and constitutional. The Court thus granted summary judgment to the defendant and dismissed the plaintiff's declaratory judgment action.

The plaintiff has not appealed this decision. [!\[\]\(cbe2492b119e39e02a1dab2af4a4b296\_img.jpg\)](#)

 **Refunds, claims for – statute of limitations.** *Wisconsin Department of Revenue vs. Kurt H. Van Engel* (Court of Appeals, District I, September 28, 1999). The department appeals from a judgment of the Circuit Court of Milwaukee County, dated February 17, 1998. For a summary of that decision, see *Wisconsin Tax Bulletin* 110 (July 1998), page 16.

The issue is whether the taxpayer was entitled to offset untimely claims for refund for tax years 1988 and 1989 against timely tax assessments for 1990 to 1992. The Circuit Court upheld the Commission's decision that the equitable recoupment doctrine applies in this case. The department argued that the Commission should not have applied the doctrine of equitable recoupment because the untimely refund claim and the timely assessment occurred within different transactions and in separate tax years. Alternatively, the department argued that the Commission improperly applied the doctrine because the taxpayer did not have "clean hands."

In May 1988, the taxpayer received notification that he was the target of a federal investigation. His attorney advised him to stop filing federal and state income tax returns while the investigation was ongoing, and he later advised him to stop filing returns while the federal

criminal charges were pending. Consequently the taxpayer did not file state tax returns for 1988 to 1992 but did make estimated tax payments.


In March 1995, after the taxpayer was acquitted of several tax-related charges and he pled guilty to a federal misdemeanor, he filed state income tax returns for all the missing years. He applied the refunds due him for 1988 and 1989 to the other years and calculated that he was due a net refund of over \$62,000.

The department refused to apply the 1988 and 1989 refunds to the other years' tax liability, citing sec. 71.75(2), Wis. Stats. (1993-94), the four-year statute of limitations. Further, in recognizing the bar created by sec. 71.77, Stats., the department made no additional assessments for 1988 or 1989. The department did assess the taxpayer \$21,020.46 for the years 1990 to 1992.

The Court of Appeals reversed the Commission's (and thus the Circuit Court's) decision and remanded the matter back to the Commission for an order consistent with this decision.

The taxpayer appealed this decision to the Wisconsin Supreme Court. On December 20, 1999, the Wisconsin Supreme Court denied the petition for review. [!\[\]\(7d1d6890825e83a6a4a51febe2dcc7f3\_img.jpg\)](#)

## INDIVIDUAL AND FIDUCIARY INCOME TAXES

 **Distributable net income.** *Edmund R. Gilson; Margaret M. Gilson Estate, Dale T. Daniell and Judith E. Blazer; and Carl H. Stiehl and Cynthia F. Moeller-Stiehl vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, June 24, 1999, and August 27, 1999). This case involves assessments issued by the department in the alternative against 1) Edmund R. Gilson (“the taxpayer”) and 2) all of the other petitioners (“the moving petitioners”). The primary issue is whether distributions from the Margaret M. Gilson Estate to the taxpayer carried with them “distributable net income” (“DNI”), making them fully taxable to him.

Margaret M. Gilson died in March 1991. Prior to her death, she executed a last will and testament (“the will”), and in a separate instrument created the Margaret M. Gilson Revocable Trust (“the trust”).

In general, the will provided that Mrs. Gilson’s residence and all tangible personal property except jewelry were to be distributed in equal shares to her two daughters (two of the moving petitioners). Her jewelry and the residue of her estate were to be given to the trust. The taxpayer, Mrs. Gilson’s husband, could elect to take a Florida condominium and a Door County property that may have been part of the residue of the estate in accordance with certain terms of the trust document.

Following Mrs. Gilson’s death, the taxpayer and the estate could not agree on the dollar values to be inserted into the trust document’s formula to determine the value of his share. The value was determined in a settlement agreement entered into in September 1991 and amended in November 1991.

The settlement agreement provided that some of the assets would be distributed directly to the taxpayer from the estate, and not to the trust. With regard to the cash in the agreement, either the trust or the estate could pay these amounts to the taxpayer. The estate, not the trust, made the cash payments. Neither the settlement agreement nor its amendment contained any provision characterizing the tax attributes of any of the payments or distributions to the taxpayer.

The estate’s fiduciary income tax returns for fiscal years ending January 31, 1992 and 1993 showed that the estate’s distribution to the taxpayer carried out DNI, with respect to amounts reflected in the provisions in the settlement agreement. The taxpayer’s income tax returns for the years at issue did not reflect the estate’s position relating to DNI.

In May 1996 the department issued assessments in the alternative against the taxpayer and each of the moving petitioners. Each of the petitioners filed timely petitions for review with the Commission.

The Commission concluded that distributions to taxpayer Edmund R. Gilson under the settlement agreement carried with them distributable net income, because these payments were not bequests of a specific sum of money or of specific property within the meaning of sec. 663(a)(1) of the Internal Revenue Code (“IRC”). The “separate share rule” does not apply. Finally, the distributions were deductible to the estate because they were properly paid under IRC sec. 661(a).

Under the separate share rule, the taxpayer would be liable for no more than 25% of the trust DNI earned while he held a residuary interest in the trust. The separate share rule does not apply because the distributions were not made by the trust and were not made in satisfaction of a legal obligation of the trust under IRC sec. 662.

Taxpayer Edmund R. Gilson has appealed this decision to the Circuit Court. The department has not appealed the portion of the decision relating to the moving petitioners.

Following the June 24, 1999, decision and order, the taxpayer and the department filed a stipulation that resolved the remaining issues. Those issues were whether the taxpayer was to receive credit for deposits he paid and whether he owed the department any additional tax or interest. The stipulation provided that the taxpayer has deposited the tax and interest assessed against him. If his appeal to the Circuit Court is successful, he will be entitled to a refund of the amounts deposited, and if he does not prevail no further tax or interest will be owing. The August 27, 1999, ruling and order affirmed the department’s action on the taxpayer’s petition for redetermination, as modified by the stipulation. [✎](#)

## CORPORATION FRANCHISE AND INCOME TAXES

### **Apportionment, payroll factor; Interest income, United States obligations.**

*Milwaukee Safeguard Insurance Co. and Milwaukee Guardian Insurance, Inc. vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, November 12, 1999). The issues in this case are:

- A. What the proper method is to apportion the taxpayers' income under secs. 71.43 and 71.45, Wis. Stats., for 1990 to 1993.
- B. Whether the taxpayers' interest income from U. S. Government securities was properly includible in their Wisconsin apportionable incomes for the years at issue.

In April 1996 the department issued assessments of additional Wisconsin franchise tax and interest for the years ending December 31, 1990, to December 31, 1993 ("the years at issue"), against each of the taxpayers. In June 1996 the taxpayers each filed a petition for redetermination with the department and timely deposited with the department the amount of franchise tax assessed, plus interest to that date.

In May 1997 the department issued notices of action granting in part and denying in part the taxpayers' petitions for redetermination. The taxpayers each filed a petition for review with the Commission in July 1997, and they filed amended petitions for review in January 1998.

Each taxpayer is a property and casualty insurance company domiciled in Wisconsin. Each is a domestic insurer, not engaged in the sale of life insurance, which, during the years at issue, collected premiums written where the subjects of insurance were resident, located or to be performed outside Wisconsin, within the meaning of sec. 71.45(3)(intro.), Wis. Stats.

Throughout the years at issue, 100% of the taxpayers' stock was owned by Milwaukee Insurance Group, Inc. ("MIG"), a publicly traded holding company domiciled in Wisconsin. During the period under review, Milwaukee Mutual Insurance Company ("Mutual"), a shareholder of MIG, owned 65.0% of the stock until June 10, 1993, and 48.5% thereafter. The remaining shares were held by the public in general. Mutual's percentage of ownership dropped below 50% on June 11, 1993, due to a second public stock offering of MIG stock.

After June 10, 1993, the taxpayers and Mutual were at no time part of the same controlled group as defined in sec. 267(f)(1) of the Internal Revenue Code ("IRC"). After that date Mutual owned less than 50% of MIG, and MIG owned 100% of the stock of each taxpayer, as well as each of three other companies.

The taxpayers had no employees and paid no payroll during the years at issue. All services performed for the taxpayers during those years were performed by employees of Mutual, for which the taxpayers paid Mutual a fee. Between 15.406% and 17.102% of each taxpayer's services performed by Mutual's employees for which the taxpayers paid a management fee were performed outside Wisconsin.


For purpose of sec. 71.45(3)(b), Wis. Stats., the taxpayers' payroll paid outside Wisconsin and total payroll paid everywhere are both zero for 1993. The taxpayers and the department disagree as to the numerator and denominator of the payroll percentage for 1990 to 1992.

The taxpayers, Mutual, and another insurance company were members of a pooling agreement during the years at issue. In the department's audit and during its review of the petitions for redetermination, it accepted the taxpayers' use of the pooling agreement for determining the payroll apportionment factor as reported on their returns.

The parties have stipulated that these matters present certain issues, including the apportionment issue and the U. S. Government interest issue. They have also agreed to certain outcomes, depending on how the Commission resolves these issues.

The Commission concluded as follows:

- A. The payroll percentage under sec. 71.45(3)(b), Wis. Stats., is excluded from the average of percentages under sec. 71.45(3), Wis. Stats, with respect to an insurer who has no payroll.
- B. Interest on U. S. Government obligations was properly included in the taxpayers' respective apportionable incomes.

The taxpayers have not appealed this decision. The department has not appealed the decision but has adopted a position of nonacquiescence regarding the decision and order. The effect of this action is that the Commission's conclusions of law, the rationale and construction of statutes in this case are not binding upon or required to be followed by the department in other cases. 



**Deductions, taxes – single business taxes.** *Delco Electronics Corporation vs. Wisconsin Department of Revenue* (Court of Appeals, District IV, May 13, 1999). This decision was summarized in *Wisconsin Tax Bulletin* 115 (October 1999), page 24. That summary indicated that the taxpayer had appealed the decision to the Wisconsin Supreme Court.

On September 28, 1999, the Wisconsin Supreme Court denied the taxpayer's petition for review. [☞](#)

**Filing requirements, who must file – health maintenance organizations.** *Group Health Cooperative of Eau Claire, Group Health Cooperative of South Central Wisconsin, and Family Health Plan Cooperative vs. Wisconsin Department of Revenue, et al.* (Court of Appeals, District I, August 10, 1999).

This case involves a constitutional challenge to portions of the 1995 Budget Bill, 1995 Wisconsin Act 27, that removed tax exemptions for benevolent organization-run health maintenance organizations. The taxpayers argue that the challenged portions violate (1) article IV, section 18 of the Wisconsin Constitution, Article IV, section 31 of the Wisconsin Constitution, and (3) the equal protection provisions of both the Wisconsin and the United States Constitutions. Also at issue is the assessment of property taxes, which will not be addressed in this summary.

In 1995, the Wisconsin Legislature passed certain revisions affecting the tax liability of entities that offer health maintenance organizations. Sections 71.26(1)(a) and 71.45(1), Wis. Stats., remove corporate income tax exemptions for income of "cooperative sickness care associations organized under s. 185.981, or a service insurance corporation organized under ch. 613, that is derived from a health maintenance organization."

The Court of Appeals concluded that the challenged provisions of 1995 Wisconsin Act 27 do not violate any of the constitutional provisions cited.

The taxpayers have not appealed this decision. [☞](#)

**Loss deductions (prior law); Interest on assessments and refunds.** *Madison Gas and Electric Company vs. Wisconsin Department of Revenue* (Court of Appeals, District IV, August 12, 1999). This is an appeal from a June 17, 1998, judgment of the Circuit Court for Dane County. See *Wisconsin Tax Bulletin* 111 (October 1998), page 15, for a summary of that decision. The issue is whether losses relating to a transmission line collapse in 1975 were properly deducted by the taxpayer in 1975, 1976, and 1977. An issue not reached by the Court of Appeals is whether, if the department's position is correct, underpayments for 1975 to 1977 should have been offset against an overpayment for 1978 when calculating interest (9% interest is paid on overpayments and 12% interest is charged on additional tax assessments).

In January 1975, the taxpayer's 63-mile transmission line between Madison and the south Fond du Lac substation collapsed and was totally destroyed. The taxpayer, which had no insurance to cover the loss, sued the consulting engineers who designed the line and supporting structures, the builder, and a railroad whose employee had cut a conductor after part of the line had fallen, causing the rest of the line to collapse.


Because of the collapse of the line, the taxpayer deducted losses on its 1975, 1976, and 1977 income tax returns. In 1978, the defendants in the taxpayer's lawsuit agreed to and paid a settlement amount, and the taxpayer declared that amount on its 1978 income tax return.

Subsequent to receiving notice of the recovery, the department issued an assessment for additional taxes due, in which it allowed only 15% of the losses to be deducted each year in 1975 to 1977 and permitted the major portion of the losses to be deducted in 1978. The department charged 12% interest on the additional taxes for 1975 to 1977 and allowed interest at 9% on the refund for 1978. The Tax Appeals Commission affirmed the department's action, and the Circuit Court reversed the Commission.

The Court of Appeals concluded that under sec. 71.04(7), Wis. Stats. (1975-76), the taxpayer properly deducted losses in 1975, 1976, and 1977 that occurred from the 1975 transmission line collapse. Since it reached that conclusion it did not address the question of netting overpayments of taxes against underpayments of taxes, and the resulting interest computations.

The department appealed this decision to the Wisconsin Supreme Court. On October 26, 1999, the Wisconsin Supreme Court denied the petition for review. [☞](#)

## SALES AND USE TAXES

 **Containers.** *Luetzow Industries vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, February 12 and September 8, 1999). The issues in this case are:

- A. Whether the taxpayer's sales of garment bags to dry cleaners are exempt under sec. 77.54(6)(b), Wis. Stats.
- B. Whether the taxpayer accepted exemption certificates in good faith from its customers for sales of garment bags.

On July 25, 1988, the department assessed the taxpayer for additional sales tax for the years 1984 to 1987. The basis of the assessment was that the gross receipts received by the taxpayer from the sales of plastic garment bags were subject to Wisconsin sales tax. The Court of Appeals determined that the taxpayer's gross receipts from its sale of the garment bags to dry cleaners are not exempt from the state sales tax (Court of Appeals, District I, October 31, 1995). For a summary of the Court of Appeals decision, see *Wisconsin Tax Bulletin* 96 (April 1996), page 18. The Supreme Court denied the taxpayer's petition for review.

From January 1, 1990 to December 31, 1993 (the period at issue in this case), the taxpayer continued to sell garment bags to dry cleaning establishments located in Wisconsin but did not remit to the department sales taxes on the gross receipts of such sales. For many, if not all, of the taxpayer's sales of garment bags, the taxpayer obtained exemption certificates from the dry cleaning establishments. The rationale behind the exemption certificates was that the sales at issue were exempt under sec. 77.54(6)(b), Wis. Stats.


On March 6, 1995, the department assessed the taxpayer for additional sales tax for the years 1990 through 1993. The primary basis for the assessment was that the taxpayer sold plastic garment bags for which sales taxes were not paid and valid exemption certificates were not maintained.

In its February 12, 1999, Ruling and Order Awarding Summary Judgment in Part, the Commission concluded as follows:

- A. The taxpayer's sales of garment bags were not exempt from the sales tax under sec. 77.54(6)(b), Wis. Stats., because the items on which the garment bags were used were not merchandise as that term is used in the exemption (*Luetzow Industries*, 197 Wis. 2d at 924).
- B. The taxpayer did not submit any valid supporting papers to show that the exemption certificates were accepted in good faith.

In a Partial Stipulation and Order dated September 8, 1999, the taxpayer and the department stipulated among other things, that the partial stipulation of that date resolves all of the remaining issues not addressed in the Commission's February 12, 1999 action, that the parties only entered into the partial stipulation to resolve those issues, and that the parties are not conceding any of those issues. The partial stipulation resulted in a refund of \$7,374.79 to the taxpayer (the taxpayer had deposited \$45,553.61 to pay the March 6, 1995, assessment of tax, interest, and penalty).

Since the parties entered into the partial stipulation of September 8, 1999, neither the taxpayer nor the department has appealed the February 12, 1999, decision. [!\[\]\(6a9b39b98eb945faa14c645ec99e4eaa\_img.jpg\)](#)

 **Motor vehicles and trailers - nonresident purchases.** *Wisconsin Department of Revenue vs. Johnson Welding & Manufacturing Co., Inc., a/k/a Johnson Truck Bodies* (Circuit Court for Dane County, August 11, 1999). The Wisconsin Tax Appeals Commission issued a decision on December 30, 1998, which was appealed to the Circuit Court. See *Wisconsin Tax Bulletin* 113 (April 1999), page 22, for a summary of the Commission's decision. The issue in this case is whether the Commission was correct in its decision that the taxpayer's sales of 25 truck bodies qualifies for the sales tax exemption in sec. 77.54(5)(a), Wis. Stats.

The taxpayer's customer, Schwan's Sales Enterprises, Inc. ("Schwan's"), requested a refund from the taxpayer for

sales tax paid on 25 non-Wisconsin truck bodies. The taxpayer then filed a claim for refund with the department for sales tax collected and remitted to the department. The basis of the refund request was that the truck bodies are exempt under sec. 77.54(5)(a), Wis. Stats., because they were sales made to a person who is not a resident of Wisconsin and who will not use the trucks for which the truck bodies were made otherwise than in their removal from Wisconsin.

The truck bodies were delivered to Schwan's plant located in Rice Lake, Wisconsin, and installed on trucks assigned to Schwan's depots located in other states. Schwan's is a corporation organized and incorporated under the laws of Minnesota. Its corporate headquarters are, and at all times


during its existence have been, in Minnesota. Schwan's does business in all 50 states, including permanent places of business at 19 locations throughout Wisconsin.

The Commission held that the taxpayer's sales to Schwan's qualified for the sales tax exemption in sec. 77.54(5)(a), Wis. Stats., adopting the definition of corporate residency used in the income tax statutory scheme.

The Circuit Court reversed the decision of the Commission, concluding that it was more reasonable to determine

residency for purposes of sales tax exemptions based on the nature and extent of a corporation's business activities in Wisconsin. The nature and extent of Schwan's business activities in Wisconsin are such that Schwan's is a resident within the meaning of sec. 77.54(5)(a), Wis. Stats. Therefore, the taxpayer's sales of 25 truck bodies to Schwan's are not exempt from sales taxation under sec. 77.54(5)(a), Wis. Stats.

The taxpayer has appealed this decision to the Court of Appeals. [☞](#)

 **Officer liability.** *Fidelis Omegbu vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, October 14, 1999). The issue in this case is whether the taxpayer is personally liable for the unpaid sales and use taxes of Kasa Corp. ("the corporation") under sec. 71.83(1)(b)2, Wis. Stats., for 1989 through 1995.


The taxpayer organized the corporation in 1984 as a building contractor. Since its inception, 100% of the corporation's stock was owned by the taxpayer, who was its president and treasurer. As corporate president, chief executive officer, and treasurer, the taxpayer estimated bids, negotiated contracts, and managed contracting projects for the corporation. The taxpayer was also in charge of the corporation's financial operations, including the signing of corporate checks. An application for Employer Identification (Withholding Tax) Permit was signed by the taxpayer on January 31, 1985. The taxpayer also signed franchise/income tax returns for the corporation and an installment agreement on behalf of the corporation for delinquent taxes.

The Commission concluded that the taxpayer is personally liable for the unpaid withholding taxes of the corporation under sec. 71.83(1)(b)2, Wis. Stats., for the years 1989 through 1995.

As president and treasurer of the corporation, the taxpayer was in charge of the corporation's daily operations. As CEO, he had the **authority** to pay or direct payment of the company's withholding taxes. The taxpayer had a **duty** to direct payment of the company's tax obligations once he became aware of the corporation's tax delinquencies. By signing and submitting the application for Employer Identification Permit, the taxpayer acknowledged that he knew that the corporation would be required to withhold, account for, and pay income taxes withheld from employees' wages to the department. When the taxpayer was aware of the delinquent tax obligations and failed to comply with the agreement, he **intentionally breached his duty** to pay the taxes.

The taxpayer has appealed this decision to the Circuit Court. [☞](#)

## SALES AND USE TAXES, AND WITHHOLDING OF TAXES

 **Officer liability.** *Danny R. Senf vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, August 27, 1999). The issues in this case are:

- A. Whether the taxpayer is personally liable for the unpaid withholding taxes of Advanced Temperature Technicians, Inc. ("the company") under sec. 71.83(1)(b)2, Wis. Stats.
- B. Whether the taxpayer is personally liable for the unpaid sales and use taxes of the company under sec. 77.60(9), Wis. Stats.

The taxpayer was president of the company for the period under review. The taxpayer was a member of the company's board of directors and owned at least 50% of the company's stock. The company's daily business operations were divided between the taxpayer and one other individual, Mr. Patrick. The taxpayer had check-signing authority on both of the company business checking accounts and signed 192 checks during the period under review. The taxpayer was also personally aware that the company was delinquent on its sales and withholding tax obligations. The taxpayer contends that he believed that Mr. Patrick would take care of the delinquent taxes.

The Commission concluded as follows:


- A. The taxpayer is personally liable for the unpaid withholding taxes of the company under sec. 71.83(1)(b)2, Wis. Stats.
- B. The taxpayer is personally liable for the unpaid sales and use taxes of the company under sec. 77.60(9), Wis. Stats.

The taxpayer had the **authority** to direct payment of the company's taxes. He was president of the company,

served on its board of directors, owned 50% of stock, and had check-writing authority. The taxpayer had a **duty** to direct payment of the company's tax obligations once he became aware of the company's sales and withholding tax delinquencies. Once the taxpayer was aware of the delinquent tax obligations of the company, he **breached his duty** to pay these taxes when he delegated the payment of taxes to a subordinate and did not personally ensure that such taxes were paid.

The taxpayer has appealed this decision to the Circuit Court. [↗](#)

## WITHHOLDING OF TAXES

 **Officer liability.** *Val Anderson, Jr. vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, July 20, 1999, and November 12, 1999). The issue in this case is whether the taxpayer is personally liable for unpaid withholding taxes under sec. 71.83(1)(b)2, Wis. Stats., for August to December 1996, January 16 to June 15, 1997, and August 1 to 15, 1997.

The taxpayer was the president of Brothers Plumbing Company, Inc. ("the corporation"), for the first two periods in question. His resignation was accepted by the Board of Directors on June 19, 1997, and the taxpayer ceased all activity with the corporation thereafter.


Prior to his resignation the taxpayer was in charge of business operations and had check-signing authority on the corporation's business checking account. In April 1996, an employee of the corporation informed the taxpayer that the corporation had delinquent withholding taxes outstanding. On behalf of the corporation, the taxpayer signed and filed with the department 13 WT-6 withholding tax deposit reports.

The Commission concluded that the taxpayer was personally liable, under sec. 71.83(1)(b)2, Wis. Stats., for the unpaid withholding taxes of the corporation for the first two periods under review, because he had the corporate authority as president to pay those taxes and did not do so, he had a duty to pay them and did not do so, and he intentionally breached that duty. However, due to his resignation on June 19, 1997, the last day for which he is responsible for the withholding taxes of the corporation is June 19, 1997.

As president, the taxpayer was one of several people in charge of the corporation's daily operations. This included having the **authority** to pay, or direct payment of, the withholding taxes at issue. A corporate officer with authority to pay or to direct payment of withholding taxes, who knows the taxes are unpaid, becomes personally obligated to see that they are paid. When a corporate president knows the corporation has adequate company funds, this officer has a **duty** to see that the taxes are paid. The corporate funds were used to pay other corporate creditors with knowledge that withholding taxes were owed; therefore, the taxpayer **intentionally breached his duty** to pay the withholding taxes.

Neither the taxpayer nor the department has appealed this decision. [↗](#)

## DRUG TAXES

 **Drug tax, appeals – timeliness; Drug tax, claim for refund.** *David L. Gilbert vs. Wisconsin Department of Revenue* (Wisconsin Tax Appeals Commission, August 27, 1999). The issues in this case are:

- A. Whether the Commission has subject matter jurisdiction, even though the taxpayer's petition for

redetermination was filed more than 60 days the department's denial of his claim for refund.

- B. Whether the Commission lacks subject matter jurisdiction because the taxpayer filed his claim for refund more than two years after the department's assessment for controlled substance tax.

In June 1993 the department issued a controlled substance tax assessment against the taxpayer, which

included interest plus a penalty of 100% of the tax. The taxpayer paid the assessment and did not appeal it.

In November 1997, the taxpayer filed a claim for refund with the department, asserting that the department illegally collected amounts pursuant to the assessment, since the controlled substance tax was unconstitutional. The assertion was based on a January 24, 1997, Wisconsin Supreme Court decision, *State v. Hall*, 207 Wis 2d 54,90 (1997), which held that the controlled substance tax violates the constitutionally guaranteed privilege against self-incrimination.

On November 26, 1997, the department sent a letter to the taxpayer denying his claim for refund. The department did not include any notice of the taxpayer's right to appeal or object to the denial. The taxpayer filed a petition for redetermination on February 25, 1998. The department denied the petition and included appeal information with its denial letter.

The Commission concluded as follows:

- A. The taxpayer's filing of the petition for redetermination with the department more than 60 days after receipt of the department's denial of his claim for refund does not deprive the Commission of subject

matter jurisdiction. Section 227.48(2), Wis. Stats., requires each decision of an agency to be accompanied by a notice of appeal rights, and provides that the time for filing a petition for redetermination does not begin to run until the agency has served the notice of appeal rights. Because the denial did not contain a notice of appeal rights, the 60-day appeal period never began to run.

- B. The Commission lacks subject matter jurisdiction over the petition for review, because the taxpayer filed his claim for refund more than two years following the assessment.

The taxpayer has appealed this decision to the Circuit Court. The department has not appealed the decision but has adopted a position of nonacquiescence regarding the portion of the decision which indicates that the provisions of sec. 227.48(2), Wis. Stats., are applicable to the denial of the refund claim or the consideration of a petition for redetermination. It is the position of the department that the provisions of that statute apply only to agency decisions that follow an administrative hearing. The effect of this action is that the Commission's conclusions of law, the rationale and construction of statutes in this case are not binding upon or required to be followed by the department in other cases. [!\[\]\(8bba887393ca45b761e5cb49e755e762\_img.jpg\)](#)





## Tax Releases

*“Tax Releases” are designed to provide answers to the specific tax questions covered, based on the facts indicated. In situations where the facts vary from those given herein, the answers may not apply. Unless otherwise indicated, tax releases apply for all periods open to adjustment. All references to section numbers are to the Wisconsin Statutes unless otherwise noted.*

The following tax releases are included:

### Individual Income Taxes –

1. Eligibility for the Wisconsin Income Tax Exemption for Members of the Wisconsin State Teachers Retirement System ..... 35

### Sales and Use Taxes –

2. Motor Vehicles Purchased for Resale ..... 35

## INDIVIDUAL INCOME TAXES

**Note:** See page 6 of this Bulletin for an article relating to tax release #1 below.

### 1 Eligibility for the Wisconsin Income Tax Exemption for Members of the Wisconsin State Teachers Retirement System

**Statutes:** Section 71.05(1)(a), Wis. Stats. (1997-98)

The tax release with the above title that was published in *Wisconsin Tax Bulletin* 98 (July 1996), page 30, is hereby revoked, effective for taxable years that begin on or after January 1, 2000.

The tax treatment prescribed for these retirement benefits in *Wisconsin Tax Bulletin* 98 continues to apply for taxable years that began before January 1, 2000. The revocation applies only to taxable years that begin on and after January 1, 2000. [✎](#)

## SALES AND USE TAXES

**Note:** The following tax release interprets the Wisconsin sales and use tax law as it applies to the 5% state sales and use tax. The 0.5% county and 0.1% stadium sales and use taxes may also apply. For information on sales or purchases that are subject to the county or stadium sales and use tax, refer to Wisconsin Publication 201, *Wisconsin Sales and Use Tax Information*.

### 2 Motor Vehicles Purchased for Resale

**Statutes:** Sections 77.51(1), 77.52(15), and 77.54(7), Wis. Stats. (1997-98)

**Wis. Adm. Code:** Sections Tax 11.14(3) and (4), Tax 11.33(4)(c), and Tax 11.83(3) (August 1999 Register)

**Introduction:** This tax release explains how the sales and use tax applies to sales of motor vehicles by a seller to a buyer, who will resell the motor vehicle to a third party.

#### *No Liability to Seller if Exemption Certificate Claiming Resale Accepted in Good Faith*

Section 77.51(14)(intro.), Wis. Stats. (1997-98), provides, in part, that a retail sale subject to Wisconsin sales or use tax includes the transfer of ownership of, title to, possession of, or enjoyment of tangible personal property for use or consumption, but not for resale.

As proof that a sale is for resale and not subject to Wisconsin sales tax, the seller must take in good faith from the buyer an exemption certificate claiming resale. If the seller accepts the certificate in good faith, the seller is relieved of any liability for Wisconsin sales or use tax on the sale (sec. Tax 11.14(3)(a), Wis. Adm. Code, August 1999 Register).

**Note:** If no exemption certificate is given to the seller, the sale is subject to Wisconsin sales or use tax.

#### *Buyer May Owe Use Tax*

A buyer who gives to a seller an exemption certificate claiming resale may be subject to Wisconsin use tax on the purchase, as provided in sec. 77.52(15), Wis. Stats. (1997-98).

Section 77.52(15), Wis. Stats. (1997-98), provides:

*“If a purchaser who gives a resale certificate makes any use of the property other than retention, demonstration or display while holding it for sale, lease or rental in the regular course of the purchaser’s operations, the use shall be taxable to the purchaser under s. 77.53 as of the time the property is first used by the purchaser, and the sales price of the property to the purchaser shall*

be the measure of the tax. Only when there is an unsatisfied use tax liability on this basis because the seller has provided incorrect information about that transaction to the department shall the seller be liable for sales tax with respect to the sale of the property to the purchaser.” [emphasis added]

### *Summary of Tax Treatment of Sales of Motor Vehicles for Resale*

The sales and use tax treatment of a sale of a motor vehicle to a buyer who gives the seller an exemption certificate claiming resale and then sells the motor vehicle to a third party is summarized as follows:

	Buyer* Buys Motor Vehicle for Resale and:	Tax Treatment	
		Purchase of Motor Vehicle By Buyer* From Seller	Sale of Motor Vehicle By Buyer* to Third Party
1.	Does not have a business (may or may not use the motor vehicle before reselling it to third party)	Buyer owes use tax on purchase of motor vehicle.**	Third party will remit use tax when vehicle is registered.**
2.	Has a business and buys and sells the motor vehicle for business purpose:		
	a. Buyer does not use the motor vehicle prior to sale to third party.	Buyer is not subject to use tax on purchase of motor vehicle.	Third party will remit use tax when vehicle is registered.**
	b. Buyer uses the motor vehicle prior to sale to third party.	Buyer owes use tax on purchase of motor vehicle.**	Third party will remit use tax when vehicle is registered.**
3.	Has a business but does not buy and sell the motor vehicle for a business purpose.	Buyer owes use tax on purchase of motor vehicle.**	Third party will remit use tax when vehicle is registered.**

\* Buyer is not a motor vehicle dealer.

\*\* Unless an exemption applies (e.g., sale to a Wisconsin governmental unit).

### *Examples of Tax Treatment of Sales of Motor Vehicles for Resale*

The following examples illustrate whether the resale exemption applies to, and whether Wisconsin use tax is imposed on, the sale of a motor vehicle to a buyer who resells the motor vehicle to a third party.

**Note:** In the following examples, providing the seller with an “exemption certificate claiming resale” means that a customer is claiming a resale exemption on the title/license plate application, Form MV-11, completed by the motor vehicle dealer (seller).

#### **Example 1 — No Business**

##### **Facts**

- Individual U is a wage earner.
- Individual U does not hold a Wisconsin seller’s permit and is not engaged in a business.
- Auto Dealer Q, a licensed motor vehicle dealer, sells an automobile to Individual U for \$20,000.

- Individual U provides Auto Dealer Q with an exemption certificate claiming resale.
- Auto Dealer Q has no reason to believe that Individual U is not reselling the automobile.
- Individual U titles the automobile in her name.
- Individual U immediately resells the automobile to her friend, Individual Z, for \$20,000.
- Individual Z does not claim exemption on her purchase of the automobile.

##### **Tax Treatment**

1. Auto Dealer Q may accept an exemption certificate claiming resale from Individual U in good faith.
2. Individual U owes Wisconsin use tax on her purchase of the automobile because she is not holding it for sale as part of a business.

3. The sale of the automobile by Individual U to Individual Z is subject to Wisconsin use tax. Because Individual U is not a licensed motor vehicle dealer, Individual U does not collect tax on the sale of the automobile to Individual Z. Individual Z is required to remit the Wisconsin use tax on her purchase of the automobile to the Department of Transportation at the time she registers the automobile.

**Example 2 — Business, Business Purpose, No Use Before Resale**

*Facts*

- Auto Dealer S is a licensed motor vehicle dealer that holds a Wisconsin seller's permit.
- Individual I operates an auto body shop as a sole proprietor for which he holds a seller's permit. Individual I occasionally sells motor vehicles but is not a licensed motor vehicle dealer.
- Auto Dealer S sells a used automobile to Individual I for \$10,000.
- Individual I provides Auto Dealer S with an exemption certificate claiming resale.
- Auto Dealer S has no reason to believe that Individual I is not reselling the automobile.
- Individual I fixes up the automobile for sale through the auto body shop business.
- Individual I makes no use the automobile, other than fixing it up for sale, before selling it for \$15,000 to Customer X.
- Customer X does not provide Individual I with an exemption certificate.

*Tax Treatment*

1. Auto Dealer S may accept an exemption certificate claiming resale from Individual I in good faith.
2. Individual I does not owe Wisconsin use tax on its purchase of the automobile. Individual I is selling the automobile as part of its business, for a business purpose. Individual I also makes no use of the automobile other than retention, demonstration, or display while holding it for sale.

3. The sale of the automobile by Individual I to Customer X is subject to Wisconsin use tax. Because Individual I is not a licensed motor vehicle dealer, Individual I does not collect tax on the sale of the automobile to Customer X. Customer X is required to remit the Wisconsin use tax on his purchase of the automobile to the Department of Transportation at the time he registers the automobile.

**Example 3 — Business, Business Purpose, Use Before Resale**

*Facts*

- Lessor S is a licensed motor vehicle dealer that holds a Wisconsin seller's permit.
- Individual I operates a hardware store as a sole proprietor, for which he holds a seller's permit.
- Individual I leases an automobile from Lessor S which Individual I uses for personal and business use. The automobile was registered in the name of Lessor S and Individual I.
- At the end of the lease, Lessor S sells the automobile to Individual I for \$10,000.
- Individual I provides Lessor S with an exemption certificate claiming resale.
- Individual I immediately sells the automobile for \$10,000 to Individual X, a friend.
- Individual X does not claim exemption on his purchase of the automobile.

*Tax Treatment*

1. Lessor S may not accept an exemption certificate claiming resale from Individual I in good faith, because Lessor S knows Individual I has used the vehicle during the lease period, in addition to holding it for sale as part of its business and for a business purpose.

Lessor S is subject to Wisconsin sales tax on the sale of the motor vehicle to Individual I. If Lessor S fails to charge Wisconsin sales or use tax, Individual I is subject to Wisconsin use tax on his purchase of the vehicle.

2. The sale of the automobile by Individual I to Customer X is subject to Wisconsin use tax. Since Individual I is not a licensed motor vehicle dealer, Individual I does not collect tax on the sale of the automobile to Customer X. Customer X must remit the Wisconsin use tax to the Department of Transportation when he registers the automobile.

#### **Example 4 — Business, No Business Purpose**

##### *Facts*

- Auto Dealer S is a licensed motor vehicle dealer that holds a Wisconsin seller's permit.
- Individual I operates a hardware store as a sole proprietor for which he holds a seller's permit.
- Auto Dealer S sells an automobile to Individual I for \$20,000.
- Individual I purchases the automobile with funds from the hardware store and titles the automobile in his name.
- Individual I purchased the automobile at the request of his father, Individual K, who is not involved in the business.

- Individual I provides Auto Dealer S with an exemption certificate claiming resale.
- Auto Dealer S has no reason to believe that Individual I is not reselling the automobile.
- Without making any use of the automobile, Individual I sells the automobile for \$20,000 to Individual K.

##### *Tax Treatment*

1. Auto Dealer S may accept an exemption certificate claiming resale from Individual I in good faith.
2. Individual I owes Wisconsin use tax on his purchase of the automobile. Although Individual I is selling the automobile purchased by his business, there is no business purpose for the purchase and sale.
3. The sale of the automobile by Individual I to Individual K is exempt from Wisconsin use tax. Section 77.54(7)(b), Wis. Stats. (1997-98), provides an exemption from Wisconsin sales or use tax for the transfer of a motor vehicle by a child to a parent if the child is not in the business of selling motor vehicles. [⚡](#)