Private Letter Rulings

"Private letter rulings" are written statements issued to a taxpayer by the department, that interpret Wisconsin tax laws based on the taxpayer's specific set of facts. Any taxpayer may rely upon the ruling to the extent the facts are the same as those in the ruling.

The ruling number is interpreted as follows: The "W" is for "Wisconsin"; the first four digits are the year and week the ruling becomes available for publication (80 days after it is issued to the taxpayer); the last three digits are the number in the series of rulings issued that year. The date is the date the ruling was issued.

Certain information that could identify the taxpayer has been deleted. Additional information is available in Wisconsin Publication 111, "How to Get a Private Letter Ruling From the Wisconsin Department of Revenue."

The following private letter rulings are included:

❄ W 0124006 ❄

March 22, 2001

Type Tax: Sales and Use Taxes

Issue: Admissions - hang gliders

Statutes: Section 77.52(2)(a)2, Wis. Stats. (1999-00)

This letter addresses your request for a private letter ruling. Thank you for providing the additional information requested.

Facts:

- Club QRS ("the club") purchases and maintains several ultra-light airplanes.
- The club provides a piloted ultra-light airplane to tow hang glider equipment and pilots from ground level to a height between 1,500 and 3,000 feet above ground level.
- The club charges the hang glider pilot a fee for this towing. The fees are used to pay for the maintenance of the ultra-light airplanes, gas, and oil. Although the club is charged a rental fee by the airfield, the club does not charge the hang glider pilot a fee for admission to the airfield.
- The hang glider equipment may be the property of the pilot or may be rented from TUV Corporation ("TUV").
- Person P is the 100% shareholder of both the club and TUV.
- The hang glider equipment is attached to the towrope ("Rope A") in the following manner:
  - A rope ("Rope B") is attached to the top of the base tube of the hang glider equipment.
  - Rope A is attached to the ultra-light airplane on one end and has a large ring at the other end.
  - Rope B goes through the ring and is attached to a device on the harness that is worn by the hang glider pilot.
  - To release from Rope A, the hang glider pilot "slaps" at the attachment device on his harness, which detaches Rope B from the hang glider pilot's harness. The result of "slapping the attachment" is that the hang glider equipment and the hang glider pilot are both detached from Rope A. Rope A remains attached to the ultra-light airplane. In case of emergency, the pilot of the ultra-light airplane can release the longer towrope (i.e., Rope A) to the hang glider pilot to catch.

- The hang glider equipment and hang glider pilot are not towed back to the ground by the ultra-light airplane.

Request:

You ask two questions, as follows:

1. Are the club's towing charges to the hang glider pilots subject to Wisconsin sales tax?

2. Is the tax treatment of the service performed different when the hang glider is owned by the hang glider pilot or rented by the hang glider pilot?

Ruling:

1. Yes. The club's charges to the hang glider pilots are subject to Wisconsin sales tax as a taxable admission, unless an exemption applies (e.g., resale).

2. No. The service is subject to Wisconsin sales tax as an admission, regardless of whether the customer (i.e., hang glider pilot) owns the tangible personal property (i.e., hang glider equipment) or rents it.

Analysis:

Section 77.52(2)(a)2, Wis. Stats. (1999-00), imposes a tax on "(t)he sale of admissions to amusement, athletic, entertainment or recreational events or places … and the furnishing, for dues, fees or other considerations, the privilege of access to clubs or the privilege of having access to or the use of amusement, entertainment, athletic or recreational devices or facilities... ."

The club attaches a towrope to the hang glider while it is on the ground. The club's ultra-light airplane provides the means for the hang glider and pilot to reach the height from which to hang glide. The club furnishes its service for a fee. This service is for amusement, athletic, entertainment, or recreational purposes. Therefore, the charge by the club is considered a taxable admission under sec. 77.52(2)(a)2, Wis. Stats. (1999-00).

❋ W 0118004 ❋

February 14, 2001

Type Tax: Sales and Use Taxes

Issue: Construction contractors (activities) - countertops; Nexus

Statutes: Sections 71.23(1) and (2), 77.51(2) and (15), and 77.53(1) and (14), Wis. Stats. (1997-98)

Administrative Code: Sections Tax 2.82 (November 1993 Register), Tax 11.68(6)(b) (June 1999 Register), and Tax 11.97(3)(d) and (g) (October 1997 Register), Wis. Adm. Code

This letter responds to your request for a private letter ruling.

Facts:

The companies involved:

Company A, a corporation incorporated in and located in another state.

Company C, a Wisconsin corporation located in Wisconsin.

Company B, a Wisconsin company located at various sites in Wisconsin.

Their relationship to Company A:

Company A makes and installs countertops in residential kitchens. Company A uses an independent company in Wisconsin (Company C) to install these kitchen countertops into residences in Wisconsin. Company C has agreed to install these tops per a price established by Company A. Company A furnishes no labor in Wisconsin.

Company C has property located within Wisconsin and sells inventory at retail. Company B has a contract and an established price list (copies appended to the request) with Company A to "provide certain services to" the Company B customers. The price list as used by Company B is simplified for ease of use by Company B personnel. This price list is a combination of material cost, labor cost of fabrication, and labor cost of installation to produce countertops for the particular job site of the Company B customer. Company A does separate out each of these items internally for each Company B purchase order for tracking and costing purposes. They are available for any invoicing purposes should Company B require invoices at some later date.

Company B collects money from its customers for orders placed with Company B for countertops which will be provided by Company A and installed by Company C. Company B issues a purchase order for work to Company A to furnish and install countertops for Com-

pany B customers. (This purchase order to Company A contains the "list prices" and quantities generated by the simplified Company B price list. These "list prices" are prices paid by the customer to Company B. The amount to be paid Company A is included as only a total in a "coded" area of the purchase order). The purchase order to Company A does not separate material and labor ordered in any other way than as a "coded total" in the purchase order. Company A is not permitted by Company B to send to Company B any invoice for the work done.

Once the purchase order has been received by Company A, Company A then contacts Company C to measure the countertops in Wisconsin. Company C goes to the Wisconsin address on the Company B generated purchase order to measure the site to determine how the material for the countertops is to be shaped to fit the job site. Company C measures for the tops and sends this information to Company A.

(Note: If an increase in labor or material manifests itself at the job site measure when compared to the quantities in the Company B purchase order, Company C will contact Company A, who will in turn contact Company B to ask for an additional purchase order to cover the additional work and/or material that is required to produce the countertops as the Company B customer requests. Company B may issue an additional purchase order as described above for additional or revised countertop, or may cancel the order. Company A does not know whether or not the additional charges are paid by the Company B customer; Company B has in fact stated that the additional charges may or may not be collected by Company B from its customer.)

Company C sends the measurement information to Company A so it can shape (fabricate) the material to fit the job site as measured by Company C. When the countertops are ready at Company A's place of business in another state, Company C picks up the countertops and returns to Wisconsin (countertops are FOB Company A and responsibility for any damage to the countertops becomes the responsibility of Company C).

Company C installs the countertops at the job site in Wisconsin. When the installation is complete, Company C asks for a signature of approval for the installation from the owner of the job site (the same person listed as the customer in the Company B purchase order). This signed form is sent to Company A and is in turn forwarded to Company B. Company B requires this signature before it will pay for the work ordered under its purchase order. When Company B receives this signed approval, it in turn pays Company A for the work done in the purchase order(s). The amount paid is the sum of the "coded total(s)" listed on the Company B purchase order(s).

Company C, at the conclusion of its installation, invoices Company B for the installation work it did and at the same time it forwards the customer signed installation approval form to Company A. Company A confirms that Company C's invoice matches the work done as ordered by the Company B purchase order and enters the invoice as a payable. Company B will not pay for any work not listed on its purchase order. Company A will not pay to Company C any invoiced work not also listed on a Company B purchase order for a project.

Company B requires that the installers of countertops must be approved by them. When approved, Company B issues the installers badges with Company B logos on them.

Customer complaints are directed to Company B who contacts Company A for resolution. If the customer is still not satisfied, but work seems to be done per industry standards, Company B will pay Company A for work done, but may discount or rebate money to its customer.

Request:

1. Regarding Sales/Use Tax: Who is responsible to collect tax and who is responsible to pay the tax? Why? What kind of tax is it?

2. Regarding income in the State of Wisconsin: Does Company A have a presence or "nexus" in Wisconsin and must pay income tax or does one of the other companies shoulder this burden? How is nexus defined and applied in this situation?

3. Should sales or use tax be based on the raw material cost to Company A, and should fabrication labor be subject to this tax as well (all labor is for the purpose of shaping the raw material to fit a particular Company B order)?

Ruling:

1. Company A owes Wisconsin use tax on its purchases of raw materials becoming a component of the countertops and any other materials used in the installation of the countertops. Company C owes Wisconsin sales or use tax on its purchases of any tools and materials it uses in the installation of the countertops.

2. Company A has nexus in Wisconsin and is subject to Wisconsin franchise or income tax based on its net income apportioned to Wisconsin. Company B and Company C are also subject to Wisconsin franchise or income tax. "Nexus" refers to the degree of activity necessary before the state has jurisdiction to impose an income tax or franchise tax measured by net income on the corporation. Company A has nexus in Wisconsin as a result of its ownership of the countertops and any other materials used in their installation in Wisconsin.

3. The use tax owed by Company A is based on its cost of the raw materials it purchases that become a component part of the countertops or that are used in the installation of the countertops. Company A is not subject to use tax on its cost of fabrication necessary to make the countertops. It is assumed that all fabrication is performed b (i.e., the fabrication is not performed by another person for Company A).

Note 1. "Wisconsin use tax" and "Wisconsin sales or use tax" includes 5% Wisconsin state tax and, depending on where the installation occurs, possibly 0.5% county tax, 0.1% baseball stadium tax, and 0.5% football stadium tax.

Note 2. A credit is allowed against the Wisconsin use tax for sales or use tax properly paid to another state.

Analysis - Parts 1 and 3:

The installation of the countertops into residences in Wisconsin constitutes a real property improvement, as provided in sec. Tax 11.68(6)(b), Wis. Adm. Code (June 1999 Register). Section Tax 11.68(6)(b), Wis. Adm. Code (June 1999 Register), provides that personal property which becomes a part of real property includes built-in household items such as kitchen cabinets, dishwashers, fans, garbage disposals, central vacuum systems, and incinerators. The countertops described in the facts are built-in household items and are comparable to kitchen cabinets.

Company A is liable for Wisconsin use tax on its purchases of the raw materials for the countertops purchases because (1) it is the consumer of the raw materials it purchases that are used in real property improvements in Wisconsin, and (2) Company A is "engaged in business" in Wisconsin.

Consumer of materials:

Section 77.51(2), Wis. Stats. (1997-98), provides, in part:

> " 'Contractors' and 'subcontractors' are the consumers of tangible personal property used by them in real property construction activities and the sales and use tax applies to the sale of tangible personal property to them…"

Section 77.53(1), Wis. Stats. (1997-98), provides, in part:

> "…an excise tax is levied and imposed on…the storage, use or other consumption of tangible personal property manufactured, processed or otherwise altered, in or outside this state, by the person who stores, uses or consumes it, from material purchased from any retailer, at the rate of 5% of the sales price of that material."

Section 77.53(14), Wis. Stats. (1997-98), provides:

> "It is presumed that tangible personal property or taxable services shipped or brought to this state by the purchaser were purchased from or serviced by a retailer."

As described in the facts, Company A sells a real property improvement to its customer, Company B. Company A does not sell the materials as tangible personal property. As the consumer of the raw materials it uses in fabricating the countertops, Company A is liable for the tax imposed under sec. 77.53(1), Wis. Stats. (1997-98).

The tax imposed under sec. 77.53(1), Wis. Stats. (1997-98), is measured by the "sales price" of the materials Company A uses in fabricating the countertops. Section 77.51(15), Wis. Stats. (1997-98), provides, in part, that "sales price" means the total amount for which tangible personal property is sold, leased, or rented.

The facts state that Company A performs the fabrication, and the answer assumes that none of the fabrication is performed by another person for Company A. Therefore, Company A's fabrication labor (i.e., the labor of its employees) in fabricating the countertops is not part of the "sales price" of the raw materials purchased by Company A.

Engaged in business in Wisconsin:

Section Tax 11.97(3)(d), Wis. Adm. Code (October 1997 Register), provides that unless otherwise limited by federal statute, a retailer engaged in business (having nexus) in Wisconsin includes:

> "Any retailer having any representative, including a manufacturer's representative, agent, salesperson, canvasser, or solicitor operating in Wisconsin under the authority of the retailer or its subsidiary for the purpose of selling, delivering or taking orders for any tangible personal property or taxable services."

Company A is engaged in business (has nexus) in Wisconsin because it has Company C operating in Wisconsin under its authority for the purpose of delivering and installing tangible personal property in Wisconsin. The countertops, until they are installed in residences, are tangible personal property.

Section Tax 11.97(3)(g), Wis. Adm. Code (October 1997 Register), provides that unless otherwise limited by federal statute, a retailer engaged in business in Wisconsin includes any person performing construction activities in this state.

Company C is performing construction activities as a subcontractor under Company A's authority.

In addition, Company A's ownership of the countertops in Wisconsin prior to their installation and sale to Company B establishes a physical presence in Wisconsin for Company A.

Analysis - Part 2:

Section 71.23(1) and (2), Wis. Stats. (1997-98), provides, in part:

> **71.23 Imposition of tax. (1)** INCOME TAX. For the purpose of raising revenue for the state and the counties, cities, villages and towns, there shall be assessed, levied, collected and paid a tax as provided under this chapter on all Wisconsin net incomes of corporations which are not subject to the franchise tax under sub. (2) and which own property within this state or whose business within this state during the taxable year, except as provided under sub. (3), consists exclusively of foreign commerce, interstate commerce, or both…
>
> **(2)** FRANCHISE TAX. For the privilege of exercising its franchise or doing business in this state in a corporate capacity, except as provided under sub. (3), every domestic or foreign corporation … shall annually pay a franchise tax according to or measured by its entire Wisconsin net income of the preceding taxable year…

Section Tax 2.82, Wis. Adm. Code (November 1993 Register), provides guidelines for determining what constitutes nexus; that is, what business activities are needed for a foreign corporation (one not incorporated in Wisconsin) to be subject to Wisconsin franchise or income tax. Among the activities that constitute nexus is ownership of a stock of goods in Wisconsin. Company A's ownership of the countertops in Wisconsin prior to their installation and sale to Company B establishes nexus in Wisconsin for Company A for franchise or income tax purposes.

❋ W 0116003 ❋

January 26, 2001

Type Tax: Sales and Use Taxes

Issue: Exemptions - fuel converted to electric energy

Statutes: Section 77.54(6)(c), Wis. Stats. (1997-98)

Administrative Code: Section Tax 11.57(4)(a) (April 1993 Register), Wis. Adm. Code

This letter responds to your request for a private letter ruling.

Facts:

BCD Corporation ("BCD") is an electric and gas utility. BCD is a wholly-owned subsidiary of EFG Corporation. HIJ Company, a limited liability company, has announced its desire to construct an electric generation plant ("the Facility") in Wisconsin. HIJ is in the process of obtaining required state and local permits and determining the financial feasibility of the Facility. The Facility will be a "wholesale merchant plant" within the meaning of sec. 196.491(l)(w), Wis. Stats. (1997-98).

BCD sells natural gas to LMN Company ("LMN") and anticipates selling natural gas to other Wisconsin power producers. LMN uses the gas to produce electricity at its facility located near City XYZ. BCD has entered into a long-term power purchase agreement to purchase substantially all of the electric output of LMN for resale to BCD's retail and wholesale customers. LMN also pro-

duces steam as part of the production of electricity. LMN sells the steam to an unrelated paper company.

The last few years have seen a proliferation of independent power producers ("IPPs") constructing electric power plants in Wisconsin in order to meet the state's reliability concerns. IPPs are only in the business of selling power. They sell power at wholesale in competition with traditional public utilities. In some jurisdictions, e.g., California, and likely soon in Wisconsin, IPPs and power marketers may sell at retail in competition with traditional utilities. IPPs generally fall into two categories:

1. "Qualifying facilities" (QF) under the federal Public Utility Regulatory Policies Act of 1978 (PURPA). These are basically small facilities that are exempt from federal and state regulation and from which a utility is legally obligated to purchase power for resale at the utility's "avoided cost" of energy production. Qualifying facilities now have been largely supplanted in the power industry by the second category.

2. "Exempt wholesale generators" (EWGs), authorized by the federal Energy Policy Act of 1992. An EWG is a producer determined by the Federal Energy Regulatory Commission (FERC) to be eligible to sell electricity only at wholesale to utilities or power marketers for resale to the public. An EWG is analogous to a "qualified wholesale electric company" (QWEC) under sec. 76.28(l)(gm), Wis. Stats., i.e., a power producer that sells at least 95% of its electricity to a public utility or to any other entity that sells electricity to the public. LMN and the HIJ Facility fall within the definition of EWG and QWEC.

The Public Service Commission of Wisconsin (PSCW) and the Wisconsin Legislature have encouraged IPP plants. The PSCW's "advance plan" process opened up the construction and operation of new electric plants to IPPs to satisfy the state's energy needs. For example, the LMN plant was the result of this process. 1998 Wisconsin Act 204 substantially liberalized the PSCW's permitting and approval process for IPPs. It also adopted the state equivalent of an EWG, the "wholesale merchant plant." The HIJ Facility, if constructed, will be considered a wholesale merchant plant by the PSCW. A wholesale merchant plant is one that can sell power in Wisconsin only to energy marketers or to electric distribution companies, i.e., public utilities.

Request:

You ask whether LMN and HIJ are "utilities" for purposes of the exemption under sec. 77.54(6)(c), Wis. Stats. (1997-98).

Ruling:

LMN and HIJ are "utilities" for purposes of the exemption under sec. 77.54(6)(c), Wis. Stats. (1997-98).

Analysis:

Section 77.54(6)(c) provides an exemption from Wisconsin sales and use tax for fuel converted to electric energy by "utilities."

Section Tax 11.57, Wis. Adm. Code (April 1993 Register), entitled "Public Utilities," provides in sub. (4)(a), that sales to public utilities of fuel converted to electric energy by "utilities" are not taxable under sec. 77.54(6)(c), Wis. Stats. Section Tax 11.57, Wis. Adm. Code, does not state that the exemption is limited only to public utilities.

Wisconsin Publication 203 (12/94) states in Section VI A.3: "A 'utility' is a company authorized by law to perform a service for the public in a particular area and is subject to Public Service Commission regulation." However, it goes on to state that a "corporation which produces electricity or steam primarily for its own consumption is not a utility." Publication 203's reference to the traditional public utility definition predates the developments in the electric power industry described above.

In the case of *Fort Howard Paper Company v. Wisconsin Department of Revenue*, (CCH 201-483, April 20, 1978) the Wisconsin Tax Appeals Commission held that Fort Howard was not a "utility" within the intent and meaning of sec. 77.54(6)(c), Wis. Stats. Fort Howard purchased coal that it used to produce steam and electricity that it consumed in its manufacturing operation. No power was sold to anyone, and this activity was not regulated by the PSCW.

The Dane County Circuit Court affirmed the WTAC decision (unpublished decision, not to be cited as precedent). The Court of Appeals also affirmed the WTAC decision (unpublished decision, not to be cited as precedent).

For the years at issue, essentially only traditional public utilities could sell power. Under current law the Fort

Howard facility would not qualify as a QF, EWG, or QWEC.

The *Fort Howard* decisions support the proposition that sec. 77.54(6)(c), Wis. Stats., does not apply to a purchase of fuel to produce power if the power is consumed entirely in the producer's own manufacturing activity. In addition, the decisions do not support a proposition that "utilities" in sec. 77.54(6)(c), Wis. Stats. (1997-98) only means "public utilities," (i.e., entities providing power to the general public upon demand at regulated tariffed rates).

A strict yet reasonable construction of "utilities" in sec. 77.54(6)(c), Wis. Stats., and one that is consistent with *Fort Howard*, is one that is tied to purchases of fuel to produce electricity that is ultimately sold to the public (though not necessarily by the producer). Also consistent with *Fort Howard* is that power producers are otherwise defined in the Wisconsin utility laws. An IPP is subject to the gross receipts tax under sec. 76.28, Wis. Stats., as a "qualified wholesale electric company." (Local property tax would apply only if the producer controls less than 50 MWs of capacity.)

❋ W 0120005 ❋

February 27, 2001

Type Tax: Sales and Use Taxes

Issue: Telecommunications messaging services - electronic monitoring; Services subject to the tax - electronic monitoring

Statutes: Sections 77.51(21m) and 77.52(2)(a)5m, Wis. Stats. (1999-00)

This letter responds to your request for a private letter ruling.

Facts, as stated in your request:

Wisconsin Municipality A ("WMA") holds a seller's permit and receives gross receipts from its jail inmates for participation in the municipality's home detention and bracelet monitoring program (BMP). The home detention and bracelet monitoring program is a Global Positioning System (GPS) monitoring program designed for offenders who pose a minimal risk to the community, yet whose behavior and offense may indicate a need for close supervision. The program can also be used for offenders who have special needs or problems that may be better handled in their home environment. The BMP is used to manage the detention facility population, to monitor and maintain better supervision of work release inmates, and to handle special circumstances where actual jail confinement is less desirable.

WMA has a contract with XYZ Company ("XYZ") whereby for $11.50 per unit per day plus $.75 per violation communication, XYZ provides the equipment and services necessary for the electronic monitoring of inmates. XYZ also provides initial training for the installation and use of the equipment. Entry of offender data into XYZ's data storage and monitoring system is based on data provided by WMA.

Upon being made aware of the BMP by WMA , an inmate may apply for and be interviewed for participation in the program by WMA's law enforcement office. Once approved, the inmate signs an agreement to comply with the rules and regulations of the BMP, to wear a monitoring bracelet, and to allow monitoring equipment to be connected to their telephone, which must remain operational at all times. The inmate is responsible for any damage to the monitoring equipment, is instructed in the use of the equipment and informed not to disconnect the equipment unless instructed to do so by WMA personnel.

The inmate completes a work schedule that is set up on XYZ's data storage and monitoring system along with curfew times, routes of travel and other configuration data. The GPS system samples and stores movements of the inmate every 1 minute during normal monitoring and every 15 seconds during any violation period. XYZ continuously monitors the GPS system, and if a violation occurs, XYZ notifies WMA by facsimile (FAX). WMA then responds to violation notices received from XYZ by making contact with the inmate.

The inmate pays WMA $15.00 per day to offset the costs of the BMP which enables the inmate to serve his or her sentence at home rather than in jail. If the inmate fails to make weekly payment of the $15.00 per day fee, he or she may be returned to the jail and removed from the program.

Request:

WMA requests a determination of whether the $15.00 charge to the inmate is subject to the Wisconsin sales tax.

Ruling:

The $15.00 per day charge to the inmate by WMA is subject to the Wisconsin sales tax as a telecommunications messaging service.

Analysis:

The inmate is paying $15.00 per day for a monitoring service, which WMA purchases from XYZ and resells to the inmate. The inmate is not renting the equipment from WMA.

As determined in the case of *Wisconsin Department of Revenue v. Dow Jones & Company, Inc.*, Court of Appeals, District IV, January 26, 1989 (CCH 203-024), and as provided in sec. Tax 11.67(1), Wis. Adm. Code (April 2000 Register):

> "When a transaction involves the transfer of tangible personal property along with the performance of a service, the true objective of the purchaser shall determine whether the transaction is a sale of tangible personal property or the performance of a service with the transfer of property being merely incidental to the performance of the service. If the objective of the purchaser is to obtain the personal property, a taxable sale of that property is involved. However, if the objective of the purchaser is to obtain the service, a sale of a service is involved even though, as an incidence to the service, some tangible personal property may be transferred."

Although the monitoring service requires the use of tangible personal property in performing the service, the true objective of the inmate is to receive the monitoring service, which allows the inmate to serve his or her sentence at home rather than in jail.

Section 77.52(2)(a)5m, Wis. Stats. (1999-00), imposes Wisconsin sales and use tax on:

> "The sale of services that consist of recording telecommunications messages and transmitting them to the purchaser of the service or at that purchaser's direction, but not including those services if they are merely an incidental, as defined in s. 77.51(5), element of another service that is sold to that purchaser and is not taxable under this subchapter."

Section 77.51(21m), Wis.Stats. (1999-00), provides:

> " 'Telecommunications services' means sending messages and information transmitted through the use of local, toll and wide-area telephone service; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunications service; specialized mobile radio; stationary two-way radio; paging service; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or similar means between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities. 'Telecommunications services' does not include sending collect telecommunications that are received outside of the state."

The monitoring services provided by WMA are taxable under sec. 77.52(2)(a)5m, Wis. Stats. (1999-00), because the information sent over telephone lines from the inmate's location to XYZ is a telecommunications message. The message is sent from the inmate's home on telephone lines to XYZ, who records the message and transmits violations recorded to WMA by FAX according to the agreements between XYZ, WMA, and the inmate.