Wisconsin Department of Revenue

Important Rate Changes!

- Manitowoc County begins January 1, 2025
- Milwaukee County tax increases January 1, 2024
- City of Milwaukee tax begins January 1, 2024
- Menominee County tax begins April 1, 2020
- Baseball stadium district tax ends March 31, 2020
- Outagamie County tax begins January 1, 2020
- Calumet County tax begins April 1, 2018
- Brown County tax begins January 1, 2018
- Kewaunee County tax begins April 1, 2017
- Sheboygan County tax begins January 1, 2017

See the Sales Tax Rate Chart for more information.

Wisconsin Sales and Use Tax Information

Includes information regarding —

- **5% state sales and use tax**
- **0.5% county sales and use tax**
- **0.1% baseball stadium sales and use tax**

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CHANGES SINCE LAST REVISION

- **Football Stadium Tax in Brown County Ended September 30, 2015.** Pages 7, 99, 101, 103, and APPENDIX I.
- **Notices to Disregarded Entities.** Information was added pursuant to 2017 Wis. Act 58 that clarifies that a notice to the owner of a disregarded entity is a notice to both. Page 10.
- **Lodging Marketplace Licenses.** Information about who must register with the department for a Lodging Marketplace License, as well as the responsibilities of a marketplace, has been added. Page 15.
- **Remote Sellers.** New information has been included to reflect the U.S. Supreme Court's decision in *Wayfair*. Page 15.
- **Out-of-State Disaster Relief Workers.** Workers may be allowed an exemption from certain registration and reporting requirements, as well as use tax relief. Page 17.
- **Sales Price and Purchase Price.** The definitions of "sales price" and "purchase price" were amended in the law to provide that the amount subject to tax does not include (a) certain taxes imposed on the seller that are passed on to its customer, and (b) the federal excise tax on heavy trucks and trailers. Pages 20 and 21.
- **Discount Certificates.** Information has been added to explain the tax treatment of manufacturer's coupons and rebates; retailer's discounts; gift certificates and product vouchers; and third-party discount certificates and product vouchers. Page 23.
- **Deduction on Current Return.** A seller may take a deduction on a current return for certain taxes paid prior to receiving an exemption certificate from the buyer, effective July 2, 2013. Page 35.
- **Overcollection of Tax After Notification By the Department.** Information was included for sellers who continues to collect tax erroneously on a product after receiving two or more written notices from the department, which first applies to department notices received on April 18, 2018. Page 36.
- **Refund Setoffs.** Clarification in the law relating to setoffs made against overpayments, first applies to taxable years beginning on January 1, 2016. Page 37.
- **Rental of Multipurpose Facilities.** The rental of multipurpose facilities may be taxable. Page 43.
- **Self-Service Laundry Machines.** Receipts from token and magnetic card operated laundry machines became exempt October 1, 2013. Page 44.
- **Parking for Carriers of Property or Passengers.** Charges for parking for motor vehicles and aircraft are taxable, even if the parking is for carriers of property or passengers. Pages 45 and 65.
- **Services Resulting in Advertising and Promotional Direct Mail.** Services that result in advertising and promotional direct mail are not taxable, effective July 1, 2013. Page 45.
- **Internet Access Service Not Taxable.** Internet access services will no longer be taxable, beginning July 1, 2020. Page 49.
- **Exemption for Aircraft Parts and Repair.** New exemption, effective July 1, 2014. Page 55.
- **Prosthetic Devices Exemption.** The definition of "prosthetic device" was amended in the law to clarify that a device must be a "replacement, corrective, or supportive" device to fall within the definition. Page 57.
- **Exemption for Certain Prepared Food.** An exemption was created for sales of certain prepared food that is sold by a retailer at a different location from where the same retailer manufactured the prepared food, effective September 23, 2017. Page 58.
- **Sales of Medical Records.** Exemption for sales of medical records in tangible or electronic format. Page 60**.**
- **Tournament and League Entry Fees Used as Prize Money.** Prize money paid by participant to enter a tournament or league may reduce taxable receipts, effective December 1, 2017. Page 62.
- **Customized Electronic Exemption Certificate.** A new electronic exemption certificate that can be customized by the user is available on the department's website. Page 63.
- **Advertising and Promotional Direct Mail Exemption.** Examples were added to clarify the exemption for advertising and promotional direct mail that became effective July 1, 2013. Page 64.
- **Exemption for Certain Farm-Raised Deer.** New exemption, effective January 1, 2016. Page 66.
- **Exemption for Farm-Raised Fish.** New exemption for certain farm-raised fish sold to fish farms. Page 66.
- **Exemption for Disaster Relief Services.** New exemption, effective January 1, 2017. Page 66.
- **Farming Includes Beekeeping.** Beekeeping was added to the definition of farming. Page 67.
- **Exemption for Fertilizer Blending, Feed Milling, and Grain Drying Operations.** New exemption, effective April 19, 2014. Page 68.

- **Manufacturing and Biotechnology Exemptions.** The exemptions for manufacturing and biotechnology were amended for sales made on or after July 2, 2013. Pages 70 and 90.
- **Exemption for Music Sold for a Jukebox.** New exemption for certain sales of music sold in a tangible or digital format when used exclusively for a jukebox, effective June 1, 2016. Page 71.
- **Printing Exemptions.** New exemptions that apply to certain purchases made by printers became effective on October 1, 2013. Page 72.
- **Exemption for Prizes for Amusement Devices.** Prizes awarded for use of an amusement device that are sold to an amusement device operator became exempt, effective December 1, 2017. Page 72.
- **Exemption for Radio and Television Broadcasting Equipment.** New exemption, effective July 1, 2014. Page 72.
- **Exemption for Certain Sales to State Veterans Organizations.** New exemption, effective July 1, 2018. Page 75.
- **Video and Electronic Games Sold to Amusement Device Operators.** Certain video and electronic games sold to an amusement device operator became exempt, effective December 1, 2017. Page 75.
- **Exemption for Sales to Certain Title Holding Companies.** New exemption, effective September 1, 2017. Page 77.
- **Partnerships Converting or Merging Into Other Entities.** Procedures were simplified and transferred assets are not taxable transactions when converted under sec. 178.1141, Wis. Stats. Page 83.
- **Operators of Distribution Facilities.** The law was amended to allow a person to operate a distribution facility and make sales on behalf of third-party sellers without becoming liable for the tax on such sales if certain conditions are met, effective July 14, 2015. Page 83.
- **Building Materials Sold to Contractors for Certain Exempt Entity Contracts.** New exemption, first applies to contracts entered into on January 1, 2016 and expanded for certain contracts entered into September 1, 2017 and July 1, 2018. Page 85.
- **Construction and Development of Sports and Entertainment Arena Facilities.** New exemption, effective August 14, 2015. Page 86.
- **Construction and Development of an Electronics and Information Technology Manufacturing Zone.** New exemption, effective September 20, 2017. Page 86.
- **Lump Sum and Construction Contract Exemption.** Exemption for lump sum contacts became effective October 1, 2013, and was expanded for certain construction contracts December 1, 2017. Page 86.
- **Increase in Standards for Nonprofit Organization Occasional Sale Exemption.** The standards for which nonprofit organizations qualify for the occasional sale exemption increased beginning with sales made in the calendar year 2017. Page 94.
- **Occasional Sale Exemption Threshold Increased.** The threshold for exempt occasional sales increased from $1,000 to $2,000. Page 95.
- **Direct Pay Permits.** Products that cannot be purchased using a direct pay permit are listed. Page 96.
- **Sheboygan, Kewaunee, Brown and Calumet Counties Adopt County Sales and Use Tax.** Effective January 1, 2017, April 1, 2017, January 1, 2018 and April 1, 2018 respectively. Page 98.
- **County and Stadium Taxes on Registered Vehicles.** Information was added to explain how to apply county and stadium taxes to multiple and one-payment leases. Page 101.
- **Utility Terrain Vehicles and Off-Highway Motorcycles.** The same tax treatment that applies to sales and purchases of similar vehicles now applies to utility terrain vehicles and off-highway motorcycles, effective July 1, 2012 and October 1, 2016, respectively. Various pages, including APPENDIX I.
- **Premier Resort Area Tax.** The premier resort area tax rate for the City of Wisconsin Dells and the Village of Lake Delton increased from 1.0% to 1.25%, effective July 1, 2014. The Village of Stockholm, the City of Rhinelander, and the Village of Sister Bay adopted a premier resort area tax of 0.5%, effective October 1, 2014, January 1, 2017, and July 1, 2018, respectively. Page 106.
- **Fact Sheets.** The sales and use tax fact sheets have been added to the list of publications that are available resources on the department's website. Page 108.

CAUTION

The information in this publication reflects interpretations by the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature and in effect as of January 1, 2019. Laws enacted and in effect after that date, new administrative rules, and court decisions may change the interpretations in this publication. Guidance issued prior to January 1, 2019, is superseded by this publication, pursuant to sec. 73.16(2)(a), Wis. Stats.

The examples and lists of taxable and nontaxable sales and purchases are not all-inclusive. They merely set forth common examples.

1. INTRODUCTION

This publication provides information about Wisconsin sales and use taxes. It explains who must have a seller's permit or use tax certificate, how sales tax is charged to customers, and how use tax is paid by purchasers. It also includes information on how to file returns, compute the amount of tax owed, and the importance of keeping proper records, including exemption certificates.

Sales and use tax applies to sales of tangible personal property, certain coins and stamps, certain leased property affixed to realty, certain digital goods, and specified services, as explained in Part 10.A. and B.

Part 2 explains common situations involving sales and use tax. Parts 10 and 11 explain what types of products and services are taxable or exempt.

The tax treatment of contractors, lessors, and manufacturers is described in Parts 12, 13, and 14. Information about the 0.5% county and 0.1% and 0.5% stadium sales and use taxes is found in Part 18.

Note: The 0.5 % football stadium tax ended September 30, 2015; the 0.1% baseball stadium tax continues to be imposed.

The Department of Revenue has many resources available to assist you with your sales and use tax questions. Part 21 lists available aids to research tax issues and to keep you informed of changes to the sales and use tax laws. For questions that you are unable to find answers to, refer to Part 22 for information about how to contact the Department of Revenue.

Each of the sales and use tax publications and forms that are referred to within this publication are listed in Part 21.B. and C. Links to the publications on the Department of Revenue's website are provided in Part 21 and throughout this publication.

2. DIFFERENCE BETWEEN WISCONSIN SALES TAX AND USE TAX

A. Sales Tax

The Wisconsin sales tax is a 5% tax imposed on the sales price of retailers making taxable retail sales in Wisconsin. The sales tax applies to retail sales, but not sales for resale. See Part 10, "What is Taxable?"

Common examples of retail sales include the following:

- A Wisconsin clothing store sells a dress to a customer in Wisconsin. (The sale of the dress by the clothing manufacturer to the retail clothing store is not a retail sale because the clothing store is going to resell the dress.)
- A Wisconsin car dealer sells a car to a customer in Wisconsin for his or her use.
- A Wisconsin lumber yard sells lumber to a carpenter in Wisconsin who uses the lumber to construct a house or make other real property improvements.

B. Use Tax

The Wisconsin use tax is a 5% tax imposed on the purchase price of taxable products or taxable services that are stored, used, or consumed within Wisconsin, and upon which a Wisconsin sales or use tax has not previously been paid. An exception to computing use tax based on the purchase price of tangible personal property applies to motor vehicles used by licensed motor vehicle dealers for any purpose in addition to retention, demonstration, or display (refer to Publication 202, *Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs*).

If Wisconsin did not have a use tax, persons could buy items in another state and avoid paying Wisconsin sales tax on such purchases.

Common use tax situations include the following:

- Property to be used in Wisconsin is purchased outside the state and the property would have been subject to sales tax if purchased in Wisconsin.

  Example: A Wisconsin company purchases an office machine for $10,000 from an Illinois seller who has not charged the Wisconsin 5% sales or use tax on the transaction. The machine is used in Wisconsin. The buyer (Wisconsin company) is liable for Wisconsin use tax of $500 ($10,000 x 5% = $500) less any Illinois sales tax the buyer properly paid to the seller.

- Building materials are purchased by a nonresident contractor from a seller located in another state and the seller either does not charge sales tax or charges a tax at a rate less than 5%. The nonresident contractor uses the materials in a real property job in Wisconsin. The nonresident contractor owes the 5% Wisconsin use tax on its "purchase price" at either the full 5% rate or the difference between 5% and any lesser rate of sales tax properly paid to its supplier.

- Property is purchased for resale (to sell to others) or for an exempt use and then is used by the purchaser in a taxable manner. Sales tax was not paid when purchasing the property.

  A common situation is a Wisconsin contractor who constructs buildings and also makes retail sales of construction materials. The contractor does not know how the materials will be used (in buildings or resold to others). The contractor may purchase such materials without payment of sales tax by giving an exemption certificate to the seller claiming resale. However, if the materials are used by the contractor for purposes other than for resale, the contractor must report the "purchase price" of such materials as subject to use tax.

  Example: A contractor constructs buildings and also makes retail sales of construction materials. He purchases lumber costing $12,000 without payment of the sales tax by giving an exemption certificate claiming resale to the seller. However, the contractor then uses $10,000 of the lumber in constructing a building. The contractor owes $500 use tax ($10,000 x 5% = $500) on the lumber which is used in constructing a building. The remaining lumber which cost $2,000 is sold to a customer for $3,000 (a retail sale). Sales tax of $150 ($3,000 x 5% = $150) should be collected from the customer on this retail sale of $3,000.

- Property is purchased without payment of the Wisconsin sales tax and is then given away free.

  Examples of such items which may have been acquired without sales tax are:

  - A bank's or savings and loan's purchase of coin savings banks, calendars, or other items to be given free to the customer. Checking account or savings account forms furnished to customers free of charge are also subject to use tax.

    Example: A bank or savings and loan company purchases clocks and blankets for $10,000 which it gives to its customers if they deposit a specified amount in an account. The bank or savings and loan owes $500 use tax ($10,000 x 5% = $500) on such items.

  - A retailer's purchase of advertising materials, except catalogs, which the retailer distributes free of charge to Wisconsin customers.
  - A retailer's purchase of grand opening gifts which are distributed free to customers.
  - A paint retailer's purchase of color cards which are distributed free to customers.

- Property is purchased from a supplier outside Wisconsin without payment of the Wisconsin sales tax and the supplier ships the property to the purchaser's Wisconsin locations at the direction of the purchaser.
- Property (other than printed advertising material and raw materials incorporated into printed materials) is purchased from a supplier outside Wisconsin without payment of the Wisconsin tax. The supplier ships the property to Wisconsin where it is stored by the purchaser until subsequently shipped outside Wisconsin for use solely outside Wisconsin.

Important: Failure to report Wisconsin use tax is the most common error discovered in audits by the Department of Revenue. Be sure to keep proper records of purchases made which are subject to use tax and report this information on your sales and use tax return. Filing incorrect returns can result in very costly penalties which are described in Part 8.M.

3. OBTAINING A SELLER'S PERMIT

A. Who Must Obtain a Seller's Permit?

Every individual, partnership, corporation, or other organization making taxable sales in Wisconsin, regardless of whether its sales are mercantile in nature, is required to have a seller's permit, unless all sales by the seller are exempt from sales or use tax. See Part 10 for "What is Taxable?"

See *Exceptions 1 and 2* in Part 4.A. for information that applies for foreign publishers and out-of-state disaster relief workers.

B. Disregarded Entities

A single-owner entity that is disregarded as a separate entity (i.e., the single-owner entity and its owner are treated as a single entity) for Wisconsin income and franchise tax purposes under Chapter 71 of the Wisconsin Statutes ("disregarded entity") is disregarded as a separate entity for purposes of Wisconsin sales and use taxes. Therefore, the owner and the disregarded entity are treated as a single entity. For Wisconsin sales and use tax purposes, there cannot be transactions between the owner and the disregarded entity, because they are treated as a single entity.

Prior to July 1, 2009, a single-owner entity that was disregarded as a separate entity for Wisconsin income and franchise tax purposes was treated as an entity separate from its owner for Wisconsin sales and use tax purposes, except for reporting purposes.

Purchases Made and Contracts Entered Into Prior to July 1, 2009: The law includes the following transitional provisions to ensure that, solely due to the July 1, 2009 law change, the owner of a single-owner entity that is disregarded as a separate entity under Chapter 71, will not incur a use tax liability on purchases made prior to the effective date of the law change or on real property contracts entered into prior to the effective date of the law change:

- A single-owner entity that is disregarded as a separate entity for Wisconsin income and franchise tax purposes on July 1, 2009 shall be treated for Wisconsin sales and use tax purposes as an entity separate from its owner for purposes of the sale, lease, or rental of and the storage, use, or other consumption of

tangible personal property; and items, property, and goods described in Part 10.A.2. to 4.; purchased by the single-owner entity or its owner prior to July 1, 2009.

- A single-owner entity that is disregarded as a separate entity for Wisconsin income and franchise tax purposes on July 1, 2009 shall be treated for Wisconsin sales and use tax purposes as an entity separate from its owner for purchases of building materials, if the materials are affixed and made a structural part of real estate, and the amount payable to the contractor is fixed without regard to the costs incurred in performing a written contract that was irrevocably entered into prior to July 1, 2009 or that resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before July 1, 2009.

Filing Provisions: An owner may choose to file separate returns for its disregarded entities from the owner's return. In this case, all disregarded entities that make taxable sales in Wisconsin must be registered and file separate electronic returns. See Part 8.D. for additional information.

Notices to Disregarded Entities: A notice from the Department of Revenue to the owner or to the disregarded entity is considered a notice sent to both. Both are liable for any amounts due as specified in the notice. This treatment applies to all laws administered by the department.

For additional information, see the article on pages 38-39 of *Wisconsin Tax Bulletin #162* (July 2009).

C. Multi-Level Marketing Companies and Their Distributors

The Wisconsin Department of Revenue regards each multi-level marketing company as a retailer required to remit Wisconsin sales tax on sales to its distributors. In the absence of data showing the exact selling price, the retailer must assume that their distributors will make the sale to the ultimate consumers at the suggested retail price and collect the sales tax accordingly. Since the multi-level marketing company must register with the department, as well as collect and remit the tax, the individual distributors are relieved of these responsibilities.

Note: If the multi-level marketing company does not collect the tax from its distributor, the distributor is liable for Wisconsin sales or use tax on its sales price of products sold and its purchase price of products that it uses or gives away, rather than resells, in Wisconsin.

D. Caution: Buying a Business – Successor's Liability

The purchaser of a business (the successor) is liable for any unpaid sales and use taxes of the seller for that business. The purchaser should withhold a sufficient amount from the purchase price to cover any unpaid sales and use taxes of the seller. The purchaser may write to the Department of Revenue to request a *Sales and Use Tax Clearance Certificate* indicating that all Wisconsin sales and use tax liabilities of the seller for that business are satisfied.

Requests for a clearance certificate must include the following:

- Legal name of the seller
- Business name of seller
- Seller's tax account number
- Seller's current mailing address
- Name of the purchaser
- Purchaser's tax account number
- Purchaser's mailing address

- Date of sale
- Sale price

Requests for clearance certificates may be mailed, emailed, or faxed to the department by the purchaser as follows:

Special Procedures Unit
Wisconsin Department of Revenue
P.O. Box 8901
Madison, WI 53708-8901

Email: DORCompliance@wisconsin.gov

FAX: (608) 267-1037

The clearance certificate request must be made AFTER the sale has taken place.

See the Common Questions for Sales and Use Tax Buying a Business - Successor's Liability for additional information.

E. When Should You Apply For a Seller's Permit?

Apply for a seller's permit at least three weeks before you open your business. If you buy an existing business, the seller's permit cannot be transferred to you. You must apply for a new permit. If you applied for a seller's permit before you opened your business but did not receive the permit at the time of opening the business, you are allowed to make retail sales. However, you are liable for the sales and use taxes and for keeping proper records from the date of opening the business.

F. How Do You Apply For a Seller's Permit?

Application for a seller's permit may be made using one of the following methods:

- Use the Department of Revenue's Online Business Tax Registration process to submit the application electronically.
- Register through the Streamlined Sales Tax Governing Board's website. (See Part 3.M.)
- Complete Form BTR-101, *Application for Business Tax Registration*, and mail it to the Department of Revenue. Keep a copy of the completed application for your records.

Note: It is important that you fill in all the requested information on the online application, on the application on the Streamlined Sales Tax Governing Board's website, or on Form BTR-101.

If two or more activities are conducted by you at the same business location, only one permit is required. For example, if you have a service station and a restaurant at the same location, but in different buildings, only one seller's permit is required for both businesses.

If you have more than one business location where you make retail sales, a separate seller's permit is needed for each location. You should, however, file only one application for all locations.

"Location" is determined by the address. A different street address means a separate location.

A seller's permit is not transferable and is not valid at any other location.

- If you are applying on a Form BTR-101, complete a Schedule 1 of Form BTR-101 for each separate business location.
- If you are applying using the online registration system, you will be directed to enter the information for each business location.

A business tax registration fee of $20 may be required. For more information, see Part 5.

G. Security May Be Required

Before or after the Department of Revenue issues you a seller's permit, it may require you to make a security deposit of up to $15,000. If you do not make a security deposit as requested, the department may refuse to issue you a seller's permit or may revoke your permit.

In determining whether or not security will be required and the amount of security, the department may consider the applicant's payment of all taxes administered by the department and any other relevant facts. Security is most commonly required when there has been a history of delinquent taxes associated with the applicant.

If security is required, the department will send a notice of the requirement and additional information about the calculation of the amount. Included will be information about the types of security that can be deposited.

Return of Security Deposit: Any security deposit will be returned to you if for 24 consecutive months you complied with the sales and use tax law.

Refer to sec. Tax 11.925, Wis. Adm. Code, "Sales and use tax security deposits," for more information.

H. Issuance of the Seller's Permit

After receiving the application for business tax registration, and the security deposit (if required), a seller's permit will be issued to you by the Department of Revenue. You must display the seller's permit in a prominent location at your place of business. If that is not a fixed location, it should be displayed at or carried to the various events. A personal wallet copy will be sent with your Business Tax Registration Certificate to provide you with easy access to your permit number.

I. Notifying Department of Changes to Your Account

You should notify the Department of Revenue of changes in your address and/or ownership, or if you cease operating your business, in one of the following ways:

(1) Write to the department indicating the address or ownership changes, or if you cease operating your business. Be sure to include in the correspondence the following information:

- Tax account number. Include the business name and address if you have more than one location.
- Federal employer identification number (FEIN).
- Effective date of changes.
- Explanation of changes to your legal name, if applicable.

Email this information to DORSalesandUse@wisconsin.gov or send to the Madison address given in Part 22.

If you change your form of ownership, such as from a sole proprietorship to a partnership or to a corporation, you must apply for a new seller's permit. Partnerships that add or drop partners must notify the department in writing of the change in partners involved.

If you change the legal form of your business and a new FEIN is assigned, you must apply for a new Wisconsin seller's permit.

If you change the legal form of your business entity (e.g., C corporation to limited liability company) and the Internal Revenue Service does not require a new FEIN, you must still notify the Department of Revenue of the change in the legal form of your business. As a new legal entity, your business will be assigned a new tax account number and the old account number will be inactivated, with one exception.

Exception: A change from a sole proprietorship to a single member limited liability company (LLC) that is disregarded for Wisconsin income tax purposes will result in no change in the tax account number, unless the owner elects to file a separate return for the disregarded entity. (See "Filing Provisions" in Part 3.B.) However, the LLC will be added to the account of the sole proprietor for purposes of issuing a seller's permit or use tax registration certificate if the LLC makes sales of taxable products or services.

Be sure to include the information listed in 3.I.(1), above, in your correspondence to the Department of Revenue.

(2) If you sell your business, your seller's permit is not transferable to the buyer. You should return your seller's permit to the department.

Refer to Part 15 for additional information on the sale of a business.

(3) You may use the online registration system when (1) adding an additional location(s) to your existing seller's permit tax account; (2) changing an account mailing address; or (3) changing a contact person for an account. You may not use the online registration system when changing a business location, changing a legal name or business name, or closing or re-opening an existing account.

If you have been granted a waiver which allows you to file paper returns (see Part 8.A.), your Form ST-12, *Wisconsin Sales and Use Tax Return*, may be used to make changes to your account. Check the box on page 1 of Form ST-12 at the upper right and make changes to your name or mailing address. If your business is discontinued, check the box on page 1 of Form ST-12 and enter the date the business ceased making sales of tangible personal property; items, property, or goods described in Part 10.A.(2) to (4); or taxable services.

(4) For other changes, check the "correspondence included" box on page 1 of Form ST-12 and enclose a letter of explanation with the Form ST-12.

J. Your Seller's Permit Can Be Revoked

Wisconsin law gives the Department of Revenue authority to revoke your seller's permit if you fail to file returns or pay taxes when due or if you do not deposit security as required. In such a case, the department will notify you of a hearing to show cause why your seller's permit should not be revoked.

If you make retail sales after your seller's permit has been revoked, you may be subject to criminal prosecution.

K. Temporary Events

You are required to have a seller's permit if you conduct business as a retailer at a "temporary event." A "temporary event" is an activity at one place of operation (e.g., fair, carnival, festival, portable roadside stand) for a brief duration where taxable sales are made.

For additional information, see Publication 228, *Temporary Events*, which can be downloaded from the department's website or from the department's "Temporary Events" web page.

L. Reporting Requirement for Operators of Swap Meets, Flea Markets, Craft Fairs, or Similar Events

An operator of a swap meet, flea market, craft fair, or similar event must report to the Department of Revenue the name, address, and seller's permit number (social security number is required if no Wisconsin seller's permit number is listed) of each vendor selling merchandise at the swap meet, flea market, craft fair, or similar event. Form S-240, *Wisconsin Temporary Event Operator and Seller Information*, may be used to obtain the required information and forwarded to the department.

For additional information, see Publication 228, *Temporary Events*, and the department's "Temporary Events" web page.

M. Registering Through the Streamlined Website

Retailers may register through the Streamlined Sales Tax Governing Board's (SSTGB) website. The use of this system will register a seller in each of the member states and those associate member states chosen by the seller.

Once registered, the seller must collect and remit sales and use taxes for all taxable sales into the member states and those chosen associate member states. This requirement includes all the states that become member states after the seller's registration.

A seller that has a legal obligation to collect a state's sales tax (and is not already registered in that state) may be required to complete additional registration forms for that state. This registration system has a web link, email address, or telephone number for each state for those sellers who need to complete additional registration forms.

A seller already registered in member or associate states may still use the registration system. Choosing "already registered" on the registration form will inform those states that a seller is "already registered." States will not issue a duplicate registration, but will just add the Streamlined Sales Tax ID to the current registration.

IMPORTANT NOTE: Retailers are not required to register through the Streamlined Sales Tax Governing Board's website. Only those sellers that want the benefits of the Streamlined Sales and Use Tax Agreement must register on this site. Benefits include:

- The ability to use certified sales tax administration software, the cost of which states may subsidize for certain sellers.
- One identification number to be used to file and pay taxes for the registered member states.
- The ability to update registration data with all registered states at one time and in one place.

Additional information regarding the Streamlined Sales Tax Project is provided at both of the following web pages:

- Department of Revenue's Streamlined Sales and Use Tax web page; and
- Streamlined Sales Tax Governing Board's (SSTGB) website.

N. Registering as a Short-Term Lodging Marketplace

An entity that (1) provides a platform through which others offer to rent short-term residential lodging and (2) collects consideration from the occupant for the rental, must register with the Wisconsin Department of Revenue (DOR) for a lodging marketplace license with the department.

An entity required to apply for a lodging marketplace license must:

- Complete the lodging marketplace application, Form S-231.
- Register for a Wisconsin seller's permit with the department if it does not have one.
- Collect Wisconsin sales and use taxes from the occupant and forward to DOR.
- Contact each Wisconsin municipality in which it makes short-term rentals to determine if additional registration is required.
- Collect applicable Wisconsin municipal room taxes from the occupant and forward to the municipality.
- Notify the owner of a short-term rental that the marketplace has collected and forwarded the tax.

A list of lodging marketplace license holders is posted on the department's website.

4. REGISTERING FOR USE TAX

A. Out-of-State Retailers (Remote Sellers) – Use Tax Registration

The United States Supreme Court ruled in *South Dakota v. Wayfair, Inc.*, that a state can require out-of-state sellers without a physical presence in that state (i.e., remote sellers) to collect and remit sales or use tax on sales delivered into that state.

As of October 1, 2018, Wisconsin requires remote sellers to collect and remit sales or use tax on sales of taxable products and services in Wisconsin. A remote seller that sells taxable products or services into Wisconsin is required to register and collect Wisconsin sales or use tax if the retailer meets **either** of the following criteria in the previous year or current year:

Criteria 1: The retailer's annual gross sales into Wisconsin exceed $100,000.

Criteria 2: The retailer's annual number of separate sales transactions into Wisconsin is 200 or more.

The following apply to the criteria above:

- "Year" means the retailer's taxable year for federal income tax purposes.
- The annual amounts include both taxable and nontaxable sales.
- Each required periodic payment of a lease or license is a separate sale transaction.
- Deposits made in advance of a sale are not sale transactions.
- An out-of-state retailer's annual amounts include all sales into Wisconsin by:

- The retailer on behalf of other persons.
- Another person on the retailer's behalf.

If one or more of the following conditions exist, a retailer has a physical presence in Wisconsin and is required to register and collect Wisconsin sales or use tax, regardless of whether the two criteria, above, are met:

- The retailer owns any real property in Wisconsin.
- The retailer leases or rents out any taxable products located in Wisconsin.
- The retailer maintains, occupies or uses, permanently or temporarily, directly or indirectly, or through a subsidiary, agent, or other person, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business in Wisconsin. (See exception below for foreign corporation publishers.)
- The retailer has any 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 products or services.
- The retailer (or its representative) services, repairs, or installs products in Wisconsin.
- The retailer delivers goods into Wisconsin in company operated vehicles.
- The retailer (or its representative) performs construction activities in Wisconsin.
- The person has an affiliate in Wisconsin, if the person is related to the affiliate and if the affiliate uses facilities or employees in Wisconsin to advertise, promote, or facilitate the establishment of or market for sales of items by the related person to purchasers in Wisconsin or for providing services to the related person's purchasers in Wisconsin, including accepting returns of purchases or resolving customer complaints. Two persons are "related" if any of the following apply:
  - One person, or each person, is a corporation and one person and any person related to that person in a manner that would require a stock attribution from the corporation to the person or from the person to the corporation under section 318 of the Internal Revenue Code owns directly, indirectly, beneficially, or constructively at least 50% of the corporation's outstanding stock value.
  - One person, or each person, is a partnership, estate, or trust and any partner or beneficiary; and the partnership, estate, or trust and its partners or beneficiaries; own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the other person or both persons.
  - An individual stockholder and the members of the stockholder's family, as defined in section 318 of the Internal Revenue Code, owns directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of both persons' outstanding stock value.

See the web page for Remote Sellers – *Wayfair* Decision, Emergency Rule 1819 (EmR1819), and 2017 Wis. Act 368 for more information about use tax obligations of out-of-state retailers.

Exception 1 - Foreign Publishers: A publisher that is a foreign corporation (i.e., a corporation that is not organized under Wisconsin law) is not considered to be a retailer engaged in business in Wisconsin if its activities in Wisconsin do not exceed:

(1) The storage of the publisher's raw materials for any length of time in Wisconsin in or on property owned by a person other than the publisher and the delivery of the publisher's raw materials to another person in Wisconsin if that storage and delivery are for printing by that other person.

(2) The purchase from a printer of a printing service or of printed materials in Wisconsin for the publisher.

(3) The storage of the printed materials for any length of time in Wisconsin in or on property owned by a person other than the publisher.

(4) Maintaining, occupying, and using, directly or by means of another person, a place that is in Wisconsin, that is not owned by the publisher, and that is used for the distribution of printed materials.

Therefore, a publisher that is a foreign corporation is not required to collect Wisconsin use tax on its sales or delivery of taxable products or services in Wisconsin if no more than the above activities occur in Wisconsin.

Exception 2 – Out-of-State Disaster Relief Workers: An "out-of-state business" that is in Wisconsin solely to perform disaster relief work is not required to register/obtain a business tax registration certificate, a Wisconsin seller's permit or withholding permit, or a use tax registration certificate. An eligible business or employee is exempt from Wisconsin use tax on taxable products and services purchased outside of the state and brought into Wisconsin solely for disaster relief work.

An "out-of-state business" is a business that is not organized under Wisconsin laws and, except for performing qualified disaster relief work during a disaster period, was not doing business in Wisconsin during the three taxable years immediately preceding the disaster period or the taxable year in which the declared state of emergency occurs.

CAUTIONS:

(1) Although the out-of-state business is not required to obtain a business tax registration certificate, Wisconsin seller's permit, or use tax certificate, the out-of-state business is responsible for Wisconsin sales or use tax on taxable sales and purchases in Wisconsin.

(2) Any out-of-state business and the employer of any out-of-state employee that wants to claim this exemption must notify the Department of Revenue within 90 days after the last day of a disaster period in the manner prescribed by the department.

Publication 411, *Disaster Relief*, provides information for out-of-state businesses and out-of-state employees performing disaster relief work in Wisconsin.

B. Voluntary Registration

Out-of-state retailers who are not required to be registered to collect and remit Wisconsin tax (i.e., they meet both of the criteria in Part 4.A.), but who desire to collect use tax for the convenience of their Wisconsin customers, may also register for use tax to relieve their customers from filing returns and paying the taxes directly to the Department of Revenue. Such out-of-state retailers, if they voluntarily register for use tax, must then collect use tax from purchasers and pay the tax in the same manner as other retailers engaged in business in Wisconsin.

For more information on such agreements, write to Wisconsin Department of Revenue, Mail Stop 3-107 P.O. Box 8906, Madison, WI 53708-8906, call (608) 266-3969, or email DORNexusUnit@wisconsin.gov.

C. Consumer Use Tax Registration

Every person who regularly has use tax obligations because purchases are made without sales or use tax being charged by the seller, should apply for a consumer's use tax certificate, unless the person is required to have a seller's permit or use tax certificate. Persons who have a consumer's use tax certificate are sent a Form ST-12, *Wisconsin Sales and Use Tax Return*, near the end of each reporting period.

Any person (whether in business or not) who 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's use tax certificate. However, the person must pay use tax to the Department of Revenue on those purchases. The person, if not required to be registered for sales and use tax purposes, may report the use tax on either: (1) the individual Wisconsin income tax return on the line titled "Sales and use tax due on out-of-state purchases," or (2) a Form UT-5, *Consumer's Use Tax Return*.

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 paid to the other state, not to exceed the amount of Wisconsin tax, may be credited against the Wisconsin use tax due.

D. Application

Application for a use tax certificate or a consumer's use tax certificate is made using the department's Online Business Tax Registration process. See Part 3.E.

A business may also register through the website of the Streamlined Sales Tax Governing Board's (SSTGB) website. (See Part 3.M.)

A business tax registration (BTR) fee of $20 may be required from persons applying for a use tax certificate. Persons applying for a consumer's use tax certificate are not required to pay a business tax registration fee. For more information on business tax registration, see Part 5, below.

5. BUSINESS TAX REGISTRATION

Persons applying for certain permits or certificates issued by the Department of Revenue may be required to pay a business tax registration (BTR) fee of $20, as explained below.

The $20 BTR fee applies only to the first permit or certificate a person applies for. Subsequent registrations for other permits or certificates issued by the Department of Revenue do not require additional BTR fees.

Note: For sales and use tax purposes only, the BTR application and renewal fee is waived for persons who do not have a legal requirement to register for sales and use tax purposes (e.g., certain persons voluntarily registering through the Streamlined Sales Tax Governing Board's website).

All types of entities, including state and local governmental agencies, are subject to the BTR fee. However, United States governmental agencies are not subject to the BTR fee.

A. Permits/Certificates Covered by BTR

The BTR fee applies to most permits or certificates issued by the Department of Revenue, including seller's permits and use tax certificates. The $20 BTR fee is not required for a Certificate of Exempt Status (CES), consumer's use tax certificate, or local exposition district tax registration.

The BTR fee is $20, regardless of the number of locations for which you need seller's permits.

B. Renewals

The initial $20 BTR fee covers a period of two years. At the end of that period, a $10 BTR renewal fee applies. The renewal fee applies to all persons holding permits or certificates subject to BTR provisions, except certain retailers who voluntarily registered through the Streamlined Sales Tax Governing Board's website.

The BTR renewal fee is $10 regardless of the number of locations for which you hold seller's permits.

C. Expedited Fee

Persons that do not use our online Business Tax Registration Process may request expedited service on their application for a seller's permit or use tax certificate (not a consumer's use tax certificate). This service is available only at the department office located at 2135 Rimrock Road, Madison or may be done by faxing Form BTR-101, *Application for Business Tax Registration*, as explained below or by applying through the online registration system (as explained in Part 3).

A $10 "expedited fee" is charged for this service. The fee is charged for each entity applying.

Persons using our online Business Tax Registration Process will not be charged an expedited service fee. In most cases, persons using our online registration process will receive an email containing their account number(s) at the time they register.

D. Faxing the Application

Form BTR-101 may be faxed to the department at (608) 264-6884. The following steps should be taken when faxing the application:

- Include a cover sheet with the contact person's name and fax and telephone numbers.
- Use black ink.
- Indicate estimates in Part E., line 1 of the application.
- Complete all pages of the application.
- If you want the processing of your application expedited as described above, write "Expedited" in the upper left-hand corner of the application (there is an additional fee for this service).

6. COMPUTING THE AMOUNT OF SALES AND USE TAX

A. Sales Tax Imposed on "Total Sales"

The 5% sales tax is imposed on a retailer's "sales price" ("Total sales" on the sales and use tax return). "Total sales" is the total amount of the sale, license, lease, or rental price from retail sales of taxable products and services, whether received in money or something other than money. If the purchaser is charged by the seller for the delivery of the product or service, the transportation charges must be included in "total sales." "Total sales" also includes charges made by a retailer which the retailer separately states as fuel surcharges, energy surcharges, service calls, and mileage charges, rather than increasing its selling price of the products or services sold.

Example: You sell furniture for $950 and charge an additional $50 for delivering the furniture to the customer. Your "total sales" subject to sales tax are $1,000 ($950 + $50). The 5% sales tax on these total sales is $50 ($1,000 x 5% = $50 tax). See Part 10.B.(13) for more information on transportation charges.

The 5% sales tax is imposed on taxable "total sales," regardless of whether the tax is collected from the customer.

Taxes are included in total sales if ***either*** of the following apply:

- The retailer does not separately state the tax on the invoice, bill of sale, or similar document that the seller gives to the purchaser, **or**

- The tax is imposed on the seller, but the seller is required to pass on and collect the tax from the user or consumer.

Note: If the total sales are subject to the 0.5% county sales tax, the total tax rate is 5.5%. If the total sales are subject to the 0.1% baseball stadium tax, the total tax rate is 5.1% (5.6% if the county tax also applies). See Part 18 for information about county and stadium taxes.

"Total sales" do not include:

- Charges for interest, financing, or insurance, if such charges are separately stated on the invoice given to the purchaser.
- Cash or term discounts taken on sales.

  Example: You sell a refrigerator for $500 but gave the customer a 2% discount of $10 because payment was made within ten days. The "total sales" subject to tax are $490 ($500 less $10 discount) on which the 5% sales tax is $24.50 ($490 x 5% = $24.50 tax).
- Taxes imposed on the seller that are separately stated on the invoice, bill of sale, or similar document that the seller gives to the purchaser if the law imposing or authorizing the tax provides that the seller may, but is not required to, pass on and collect the tax from the user or consumer.
- Taxes legally imposed directly on the purchaser that are separately stated on the invoice, bill of sale, or similar document that the seller gives to the purchaser.
- The federal excise tax (FET) on heavy trucks and trailers (i.e., the federal tax imposed on the seller in a retail sale of a heavy truck or trailer under sec. 4051 of the Internal Revenue Code) if the FET is separately stated on the invoice or bill that the seller gives to the purchaser.
- Delivery charges for "direct mail" that are separately stated on the invoice given to the purchaser. "Direct mail" is defined in Part 7.D.
- If a taxable product is traded in, "total sales" is the difference between the price of the product purchased and the amount allowed for the product traded in.

Note: No deduction is allowed for a product "traded in" for a service.

Example: If a customer receives a $4,000 trade-in allowance for an old car when purchasing a new car selling for $20,000, the "total sales" subject to tax are $16,000 ($20,000 less $4,000 trade-in) and the 5% sales tax on this sale is $800 ($16,000 x 5% = $800).

For additional information about trade-ins, see the tax release titled "Trade-ins," which was published on pages 30-33 of *Wisconsin Tax Bulletin #124* (April 2001).

In cases where the tax has been collected from customers and they have been notified of that fact, the amount of the tax so collected should not be included in the base to which the 5% applies in computing the tax due to the state. (See Part 6.D.)

B. Use Tax Imposed on "Purchase Price"

The 5% use tax is imposed on the "purchase price" of taxable products and services purchased from any retailer. "Purchase price" is computed in the same manner as "total sales," that is, it is the total amount of the sale, license, lease, or rental price from retail sales of taxable products and services, whether received in money or something other than money.

Example 1: If you buy equipment with a purchase price of $10,000 from an out-of-state retailer who does not charge the Wisconsin 5% sales or use tax on the transaction, you are liable for a 5% use tax of $500 on the "purchase price" of $10,000.

Example 2: You lease property from an out-of-state lessor. You pick up the property from the lessor's out-of-state business location; therefore, the lease is sourced to that state. The other state does not impose a tax on the lease of that type of property. You bring the property to Wisconsin for use in Wisconsin. Wisconsin imposes a sales or use tax on the lease of that type of property. You are liable for a 5% Wisconsin use tax on your "purchase price" of the lease of the property that you use, store, or consume in Wisconsin, even though the lease was originally sourced to the other state.

Exceptions:

- Wisconsin licensed motor vehicle dealers who use motor vehicles for a purpose in addition to retention, demonstration, or display while holding them for sale report use tax on a certain dollar amount or lease value per month. For more information, refer to Wisconsin Publication 202, *Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs*.
- If a taxable product is purchased without sales or use tax using a valid exemption certificate, and the buyer later uses that product in a taxable manner, use tax is owed based on the original purchase price of the product.

  Example: Computer Store buys and sells computers. A laptop computer was purchased without tax for resale for $550. Computer Store subsequently took the laptop out of inventory and gave it away as a promotional item (i.e., taxable use). Computer Store's use tax liability is based on its purchase price of $550.

C. Collecting Tax from Customers

Although Wisconsin sales tax is imposed on the retailer's sale, Wisconsin law allows the retailer to pass the tax along to the consumer (buyer). To separately state the tax and pass the tax on to its customers, a retailer must use a straight mathematical computation. As an alternative, bracket charts that represent the straight mathematical computation may be used in computing the amount of the tax which may be collected from customers.

The customer should be provided with a receipt that separately itemizes the tax. The tax due to the Department of Revenue is based on a retailer's total taxable sales multiplied by the tax rate, regardless of the amount of tax collected from customers.

Straight Mathematical Computation

A retailer must determine the tax due on a transaction either by multiplying the applicable tax rate by the sales price of each taxable product individually or by multiplying the applicable tax rate by the aggregate sales price of all taxable products sold in a single transaction. The tax collectible from the customer should be rounded to the nearest cent as follows:

- For amounts less than $0.005, the amount should be rounded down to the next lowest penny.
- For amounts equal to or greater than $0.005, the amount should be rounded up to the next highest penny.

Example 1: Tax computed at $.085000 would be rounded up to $.09.

Example 2: Tax computed at $6.455001 would be rounded up to $6.46.

Example 3: Retailer sells three different taxable items in one transaction: Item 1's selling price is $14.70, item 2's selling price is $8.30, and item 3's selling price is $7.10. The aggregate selling price of the taxable items is $30.10.

The tax on the invoice provided to the customer may either be calculated by multiplying the 5% tax rate by the selling price of each item individually (($14.70 x 5% = $0.74) + ($8.30 x 5% = $0.42) + ($7.10 x 5% = $0.36) = $1.52) or by multiplying the 5% tax rate by the aggregate selling price ($30.10 x 5% = $1.51).

Bracket Charts

The Department of Revenue has prepared bracket charts that may be used by retailers to determine the amount of tax that may be collected from its customers.

The bracket charts in Appendix G represent a straight mathematical computation using the rounding convention described above. Tables of the rate combinations are in Publication 229, *Brackets for Collecting Wisconsin Sales or Use Tax on Retail Sales.*

Refer to sec. Tax 11.32, Wis. Adm. Code, " 'Sales price' and 'purchase price'," for more information.

D. Including Tax in the Price

A retailer may choose to include the tax in the price of the product. When the tax is collected from customers who are notified of that fact, the amount of the tax collected is not included in the base to which the tax applies. The notification may be by any one of the following methods:

(1) Providing the customer a receipt which states "Prices Include Sales Tax."

(2) Conspicuously posting the bracket card, Form S-213 or Form S-218, issued by the department.

(3) Conspicuously posting a sign which states "Prices Include Sales Tax."

E. Credit for Taxes Paid to Another State

Wisconsin sales and use tax law provides a credit for sales or use taxes that are properly due and paid to another state and/or local unit of government on taxable products or services purchased outside Wisconsin and subsequently stored, used, or consumed in Wisconsin. The credit is allowed against (but not in excess of) the total Wisconsin state, county, and stadium use taxes imposed on the same items, property, or goods., or services purchased in the other state.

Examples of the credit are provided in the tax release titled "Credit for Sales and Use Taxes Paid to Other States and Their Local Units of Government," which was published on pages 28-49 of *Wisconsin Tax Bulletin* #157 (July 2008).

F. Credit for Taxes Paid to a Tribe

A credit against Wisconsin use tax is provided in certain circumstances for sales tax paid to a federally recognized American Indian tribe or band in Wisconsin for purchases of taxable products and services that occurred on tribal lands.

If the purchase, license, rental, or lease of a product or service subject to Wisconsin sales and use taxes occurred on tribal lands and, prior to imposing the tax under this subchapter, was subject to a sales tax by a federally recognized American Indian tribe or band in Wisconsin, the amount of sales tax paid to the tribe or band may, as determined by an agreement between the Department of Revenue and the tribal council under sec. 73.03(65), Wis. Stats., be applied as a credit against and deducted from the sales and use tax. For purposes of this credit, "sales tax" includes a use or excise tax imposed on the use of tangible personal property or taxable service by the tribe or band.

As of the date this publication was printed, no Wisconsin American Indian tribe or band has imposed a sales tax.

G. Products Given Away For Free

A retailer is the consumer of the products it provides free of charge in conjunction with the required purchase of another product and is required to pay Wisconsin sales or use tax on its purchases of these free products if the other product that is required to be purchased is exempt from or not subject to Wisconsin sales and use tax. However, if the other product that is required to be purchased from the retailer is a "taxable product," the retailer generally may purchase the products provided free of charge to customers who purchase the required taxable product without paying Wisconsin sales and use tax because they are for resale.

A product is provided free of charge with the required purchase of another product if the customer does not have to pay an additional amount to receive the second product (i.e., the sales price of the transaction does not vary depending upon whether or not the second product is included in the transaction).

The following examples illustrate these changes.

Example 1 - Taxable Product Given Away with Required Purchase of Nontaxable Product: Retailer provides a hat free of charge to any customer that purchases a certain number of gallons of gasoline subject to excise tax under ch. 78, Wis. Stats. (i.e., a nontaxable product). The price of the gasoline does not vary depending on whether the hat is included in the transaction. The receipt given by Retailer to the customer indicates the sales price of the gasoline but does not mention the hat at all. Since Retailer is giving a hat at no charge to any customer that purchases the required number of gallons of gasoline (i.e., a nontaxable product), Retailer is the consumer of these hats, and is required to pay Wisconsin sales or use tax on its purchases of the hats.

Example 2 - Taxable Product Given Away with Required Purchase of a Different Taxable Product: Retailer provides a bicycle free of charge to every customer that purchases a new couch (i.e., a taxable product). The price of the couch does not vary depending on whether the bicycle is included in the transaction. The receipt given by Retailer to the customer indicates that the bicycle is given to the customer for no charge. Although Retailer is providing a bicycle free of charge, Retailer may purchase the bicycle without tax for resale since the customer is required to purchase the couch (i.e., a taxable product) in order to receive the bicycle.

Example 3 - Retailer Advertises Fourth Tire Free with Purchase of Three Other Tires: Retailer operates an automotive repair facility. Retailer offers a promotion in which a customer is provided a free tire if the customer purchases three other tires (i.e., taxable products). If the customer does not want the free tire, the sales price of the other three tires does not change. The receipt given by Retailer to the customer indicates that the fourth tire is given to the customer for no charge. Although Retailer is providing a tire free of charge to every customer that purchases three other tires (i.e., taxable products), Retailer may still purchase the tires provided free of charge for this promotion without tax for resale since the customer is required to purchase the three other tires (i.e., taxable products) in order to receive the free tire.

H. Manufacturer's Coupons and Rebates, Retailer's Discounts, Gift Certificates and Product Vouchers, and Third-Party Discount Certificates and Product Vouchers

(1) Manufacturer's coupons and rebates

Payments received by a retailer from a manufacturer for coupons that are redeemed by a customer for a "free" taxable item or reduce the price paid for a taxable item, are part of the "sales price" of the taxable item and are subject to Wisconsin sales tax. A retailer may charge the customer the sales tax due.

Payments received by a retailer from a manufacturer for coupons that are redeemed by a customer for a "free" **nontaxable** item or reduce the price paid for a **nontaxable** item, are not subject to Wisconsin sales tax.

Coupon handling fees paid by the manufacturer to the retailer are not subject to Wisconsin sales tax, regardless of whether the coupon is for a taxable or nontaxable product.

Example 1 - Manufacturer's Coupon for Free Taxable Product: Customer gives Retailer a manufacturer's coupon for a free candy bar, which normally sells for 75¢. Customer receives a candy bar. Retailer provides the coupon to Manufacturer, who pays Retailer 75¢ plus a 10¢ handling fee for the coupon.

Retailer's receipts of 75¢ from its sale of a taxable item (i.e., candy bar) are subject to Wisconsin sales tax. Retailer may charge Customer the sales tax due on the 75¢. The 10¢ handling fee is not subject to Wisconsin sales tax.

Example 2 - Manufacturer's Coupon for Reduced Price on a Taxable Product: Customer gives Retailer a manufacturer's coupon for 50¢ off the $4 selling price of a box of laundry detergent. Customer receives a box of laundry detergent. Retailer provides the coupon to Manufacturer who pays Retailer 50¢ plus a 10¢ handling fee for each coupon redeemed.

Retailer's receipts of $4, from its sale of a taxable item (i.e., laundry detergent) are subject to Wisconsin sales tax ($3.50 received from Customer plus the 50¢ received from Manufacturer). Retailer may charge Customer the sales tax on the entire $4. The 10¢ handling fee is not subject to Wisconsin sales tax.

Example 3 - Manufacturer's Coupon for Free Nontaxable Product: Customer gives Retailer a manufacturer's coupon for a gallon of 100% pure orange juice, which normally sells for $2.75. Customer receives a gallon of orange juice. Retailer provides the coupon to Manufacturer, who pays Retailer $2.75 plus a 50¢ handling fee for the coupon.

Since orange juice is a nontaxable item, the $2.75 received from Manufacturer is not subject to Wisconsin sales tax. The 50¢ handling fee is also not subject to Wisconsin sales tax.

Manufacturer's rebates are treated the same as a manufacturer's coupon. Therefore, if a manufacturer reimburses a retailer for the amount of a rebate for the retailer's sale of a taxable product, the amount of the reimbursement is included in the retailer's taxable receipts. If a manufacturer reimburses a retailer for the amount of a rebate for the retailer's sale of a nontaxable product, the amount of the reimbursement is not taxable.

(2) Retailer's discounts

Discounts and coupons offered by retailers which are not reimbursed by a third party are not subject to Wisconsin sales tax. This includes discounts offered by retailers where the retailer "matches" a discount offered by a manufacturer (e.g., double coupon days). No Wisconsin sales tax should be charged on the discounts and coupons offered by retailers.

Example*:* Retailer offers a coupon which entitles customers to 50¢ off the purchase price of a 12-pack of soft drinks. The 12-pack usually sells for $4.50. Customer provides Retailer with the coupon when purchasing the soft drinks along with $4. Retailer's sales price subject to tax is $4 ($4.50 - 50¢ coupon = $4). Retailer may charge Customer sales tax on the $4.

(3) Gift certificates and product vouchers

The sales price from the sale of a gift certificate is not taxable. When a gift certificate is redeemed for taxable products, the transaction is completed and the retailer's tax liability accrues at that time.

Example: Retailer sells Customer a gift certificate that is valued at $50. The gift certificate can be used to purchase any items that Retailer sells. The sale of the gift certificate is not subject to Wisconsin sales tax.

The sale of a product voucher that entitles the holder of the voucher to redeem the certificate for a specific product is taxable if the product for which the certificate can be redeemed is taxable.

Example 1: Retailer sells Customer a product voucher that can be redeemed for a radio. The sale of the certificate is subject to Wisconsin sales tax since a radio is subject to tax.

Example 2: Retailer sells Customer a certificate that can be redeemed for 10 pounds of fresh fruit for human consumption. The sale of the certificate is not subject to Wisconsin sales tax since the sale of fresh fruit for human consumption is not subject to tax.

(4) Third-party promotional company's sales of discounted certificates and product vouchers

A merchant may enter into an agreement with a promotional company to have that promotional company sell discounted gift certificates or product vouchers. The merchant can identify the amount for which the certificate or voucher was sold to the customer.

These certificates and vouchers are commonly advertised on the Internet and are often referred to as "deal of the day" certificates or vouchers. A person desiring to purchase the certificate or voucher does so by contacting and paying the promotional company and not the issuing merchant. The purchaser then presents the certificate or voucher to the issuing merchant in exchange for goods or services from that merchant, as indicated on the certificate or voucher.

The promotional company's sale of the certificate or product voucher is not subject to tax. Sales of such certificates or vouchers are not subject to Wisconsin sales tax.

The merchant accepting the certificate or voucher is the retailer of the goods or services, since the merchant is the person actually transferring ownership of, title to, possession of, or enjoyment of the goods or services to the purchaser. The amount that is subject to tax is the total amount of all consideration received by the merchant, without deduction for any expenses incurred (e.g., no deduction is allowed for the amount that the merchant pays the promotional company for its services of advertising and selling the certificates). This taxable amount is generally the amount that the customer paid for the certificate or voucher.

Note: This tax treatment does not apply to sales of digital codes, admissions to time-sensitive events (e.g., sporting events, concerts), or gift certificates sold directly by the retailer.

Additional information, including examples, is provided in the tax release beginning on page 10 of *Wisconsin Tax Bulletin #176* (August 2012) titled "Sales of Discounted Certificates and Product Vouchers."

7. ACCOUNTING METHODS, WHEN A SALE OCCURS, AND WHERE A SALE TAKES PLACE ("SOURCING" RULES)

A. Accounting Methods

The accrual method of accounting must be used by all retailers to determine and report their total sales, with one exception. The Department of Revenue may, if it is satisfied that an undue hardship would result from using the accrual method, permit some other method such as the cash method of accounting. Before using some other method, written approval must be obtained from the department. Written approval is not required to use the accrual method.

Under the accrual method of accounting, all cash, credit, installment, and conditional sales are included in total sales on the return for the reporting period in which the sale occurs, even though all or part of the payments for such sales are not received until a later reporting period. (See Part 8.B.)

Example: If you are on a monthly reporting basis (file monthly returns) and a sale occurs in January, the sales price of the sale must be reported on the January return, even though payment is not received until February or a later month.

If a retailer cannot reasonably separate and account for individual sales of taxable products or services, the Department of Revenue may authorize the use of a formula method for determining taxable and exempt sales. The retailer must request and receive written approval from the Department of Revenue before using a formula method. The formula must be designed to approximate the correct tax liability. In addition, the use of the formula is subject to review and redetermination by the Department of Revenue at a later date.

B. When a Sale Occurs

A sale involving the transfer of ownership of tangible personal property; or items or property described in Part 10.A.(2) and (3); occurs at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent, regardless of when payment is made. For this purpose, a common carrier or the United States Postal Service is an agent of the seller.

A sale or purchase involving a digital good described in Part 10.A.(4) occurs when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent or when the digital good is first used, whichever comes first. A sale or purchase of a product transferred electronically, including a digital good that is sold by "subscription," occurs at the time when the payment for the "subscription" is due to the seller.

"Subscription" means an agreement with a seller that grants the consumer the right to obtain products transferred electronically from within one or more product categories having the same tax treatment, in a fixed quantity or for a fixed period of time, or both.

A sale of a taxable service is considered to occur when the service is sold, furnished, or performed by the seller.

C. Where a Sale Takes Place – "General Sourcing Rules"

In order to determine where a sale takes place for Wisconsin sales and use tax purposes (where a sale is "sourced"), a specific hierarchy is used. The hierarchy is referred to as the "General Sourcing Rules." The "General Sourcing Rules" should be used to determine the location of a sale, with the following exceptions:

- **Leases, licenses, and rentals –** Information about how to determine the location where these transactions take place (i.e., where lease, license, or rental payments are "sourced") is provided in Part 13.D.
- **Direct mail –** Information about how to determine the location where a sale of direct mail takes place (i.e., where the sale is "sourced"), is provided in Part 7.D.
- **Telecommunications services –** Please refer to sec. Tax 11.66, Wis. Adm. Code, "Telecommunication and telecommunications message services," for information explaining where these services take place (i.e., where these services are "sourced").
- **Retail florists –** Information about how to determine where sales by retail florists take place (i.e., where these sales are "sourced") is provided in Part 7.E.

General Sourcing Rules (Where the Sale Takes Place)

Except as provided above, the location where a sale takes place is determined in Part 7.C., (1) through (5), below:

Note: For purposes of determining where a sale takes place, "receive" means taking possession of tangible personal property; or items or property described in Part 10.A.(2) and (3).; taking possession or making first use of digital goods described in Part 10.A.(4), whichever comes first; or making first use of services. "Receive" does

not include a shipping company taking possession of tangible personal property; or items or property described in Part 10.A.(2) and (3).; on a purchaser's behalf.

(1) If a purchaser receives the product at a seller's business location, the sale takes place at that business location. *If 1 does not apply, go to 2.*

(2) If 1. does not apply, the sale takes place at the location where the purchaser, or the purchaser's designated donee receives the product. This includes the location indicated by instructions known to the seller for delivery to the purchaser or the purchaser's designated donee. *If 2 does not apply, go to 3.*

(3) If 1 and 2 do not apply, the sale takes place at the purchaser's address as indicated by the seller's business records, if the records are maintained in the ordinary course of the seller's business and if using that address to establish the location of the sale is not in bad faith. *If 3 does not apply, go to 4.*

(4) If 1, 2, and 3 do not apply, the sale takes place at the purchaser's address as obtained during the consummation of the sale, including the address indicated on the purchaser's payment instrument, if no other address is available and if using that address to determine the location of the sale is not in bad faith. *If 4 does not apply, go to 5.*

(5) When 1, 2, 3, and 4 do not apply, including when there is not sufficient information to determine the location of the sale, the sale takes place as follows:

- If the item sold is ***tangible personal property;*** or an ***item*** or ***property*** described in Part 10.A.(2) and (3); the sale takes place at the location from which the tangible personal property, item, or property is shipped.
- If the item sold is a ***digital good*** described in Part 10.A.(4), or ***computer software*** delivered electronically, the sale takes place at the location from which the digital good or computer software was first available for transmission by the seller, not including any location that merely provides the digital transfer of the product sold.
- If a ***service*** is sold, the sale takes place at the location from which the service was provided.

D. Where a Sale Takes Place - Direct Mail

There are special provisions in the law for determining where the sale of "direct mail" takes place. "Direct mail" means printed material that is delivered or distributed by the U.S. Postal Service or other delivery service to a mass audience or to addressees on a mailing list provided by or at the direction of the purchaser of the printed material, if the cost of the printed material or any taxable product included with the printed material is not billed directly to the recipients of the printed material. "Direct mail" includes any taxable product provided directly or indirectly by the purchaser of the printed material to the seller of the printed material for inclusion in any package containing the printed material, including billing invoices, return envelopes, and additional marketing materials. "Direct mail" does not include multiple items of printed material delivered to a single address.

Note: Sales of catalogs and their mailing envelopes that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms are exempt from tax. An exemption also applies to printing or imprinting services that result in such catalogs and their mailing envelopes. "Catalog" means *a printed and* bound, stitched, sewed, or stapled book containing a list and description of property or services for sale, regardless of whether a price is specified. Printed materials that are not bound, stitched, sewed, or stapled, cannot meet the definition of "catalog." For example, an advertising pamphlet that is printed on a single sheet of paper and simply folded one or more times, without being bound, stitched, sewed or stapled, does not meet the definition of "catalog," and the exemption does not apply.

The sales price of direct mail does not include separately stated delivery charges. For purposes of the sale of direct mail, "separately stated delivery charges" means charges by a seller to prepare and deliver the direct mail to a location designated by the purchaser of the direct mail, including charges for transportation, shipping, postage, handling, crating, and packing, that are separately stated on the invoice, bill of sale, or similar document that the seller gives to the purchaser.

"Advertising and promotional direct mail" means direct mail that has the primary purpose of attracting public attention to a product, person, business, or organization or to attempt to sell, popularize, or secure financial support for a product, person, business, or organization.

"Other direct mail" means any direct mail that is not advertising and promotional direct mail, regardless of whether advertising and promotional direct mail is included in the same mailing. "Other direct mail" includes all of the following:

- Transactional direct mail that contains personal information specific to the addressee, including invoices, bills, account statements, and payroll advices.
- Any legally required mailings, including privacy notices, tax reports, and stockholder reports.
- Other nonpromotional direct mail, including newsletters and informational pieces, delivered to existing or former shareholders, customers, employees, or agents.

"Other direct mail" does not include printed materials that result from developing billing information or providing any data processing service that is more than incidental to producing the other direct mail.

(1) Charges for advertising and promotional direct mail or services that are an integral part of the production and distribution of advertising and promotional direct mail (prior to August 1, 2013).

(a) Purchaser does not provide a direct pay permit, exemption certificate claiming direct mail, or certain other information. The sale of advertising and promotional direct mail, or services that are an integral part of the production and distribution of advertising and promotional direct mail, takes place at the location from which the advertising and promotional direct mail is shipped if the purchaser does not provide to the seller one of the following:

- A direct pay permit,
- An exemption certificate (Form S-211, Form S-211-SST, S-211E) claiming direct mail, or
- Other information that indicates the appropriate taxing jurisdiction to which the advertising and promotional direct mail is delivered to the ultimate recipients.

If the seller ships the advertising and promotional direct mail from Wisconsin, the entire charge for the advertising and promotional direct mail, or a service that is an integral part of the production and distribution of advertising and promotional direct mail, is subject to tax*, excluding any separately stated delivery charges.

If the seller ships the advertising and promotional direct mail from a location outside of Wisconsin, the purchaser is liable for use tax on its purchase price (excluding any separately stated delivery charges) of the advertising and promotional direct mail, or a service that is an integral part of the production and distribution of advertising and promotional direct mail, if the advertising and promotional direct mail is delivered to addresses in Wisconsin.* No credit for taxes paid to another state is allowed as a credit against the Wisconsin use tax due.

* The sale or purchase of advertising and promotional direct mail is exempt from sales and use tax, effective August 1, 2013.

(b) Purchaser provides direct pay permit or exemption certificate claiming direct mail**.** If the purchaser provides an exemption certificate claiming direct mail or a direct pay permit to the seller, the purchaser must pay or remit, as appropriate, to the department the use tax on all purchases of advertising and promotional direct mail or services that are an integral part of the production and distribution of advertising and promotional direct mail delivered to Wisconsin, excluding any separately stated delivery charges. The tax is calculated at the rate imposed by the jurisdiction(s) where the advertising and promotional direct mail is delivered to the recipients.

(c) Purchaser provides delivery information. If the purchaser provides delivery information indicating the jurisdictions to which the advertising and promotional direct mail is to be delivered to the recipients, the seller must collect and remit the tax according to the delivery information provided by the purchaser on all sales of advertising and promotional direct mail or services that are an integral part of the production and distribution of advertising and promotional direct mail delivered to Wisconsin, excluding any separately stated delivery charges. The tax is calculated at the rate imposed by the jurisdiction(s) where the advertising and promotional direct mail is delivered to the recipients.

(d) Bundled transactions. If a transaction is a bundled transaction that includes advertising and promotional direct mail, a.1. to 3., above, only apply if the primary purpose of the transaction is the sale of products or services that meet the definition of advertising and promotional direct mail.

(2) Charges for other direct mail or services that are an integral part of the production and distribution of other direct mail.

(a) Purchaser does not provide a direct pay permit, exemption certificate claiming direct mail, or certain other information. The sale of other direct mail or services that are an integral part of the production and distribution of other direct mail takes place at the purchaser's address as indicated by the seller's business records, if using that address to establish the location of the sale is not in bad faith. If that address is a Wisconsin address, Wisconsin tax is due on the entire charge by the Wisconsin seller for the other direct mail or the services that are an integral part of the production and distribution of the other direct mail, but excluding any separately stated delivery charges.

(b) Purchaser provides direct pay permit or exemption certificate claiming direct mail. If the purchaser provides an exemption certificate claiming direct mail or a direct pay permit to the seller, the purchaser must pay or remit, as appropriate, to the department the use tax (excluding any separately stated delivery charges) on all purchases of other direct mail or services that are an integral part of the production and distribution of other direct mail if the advertising and promotional direct mail is delivered to addresses in Wisconsin. The tax is calculated at the rate imposed by the jurisdiction(s) where the other direct mail is delivered to the recipients.

(3) Single mailing including both advertising and promotional direct mail and other direct mail. If advertising and promotional direct mail and other direct mail are included in a single mailing, the location of the sale of that mailing is determined in same manner as a sale of other direct mail.

E. Where a Sale Takes Place – Retail Florists

Generally, sales by a retail florist follow the General Sourcing Rules in Part 7.C.

Example: Retail Florist A located in Dane County receives an order from a customer who wants a floral arrangement delivered to a location in Jefferson County. Retail Florist A delivers the floral arrangement to Jefferson County. The sale takes place in Jefferson County.

However, when a retail florist receives an order from a customer and then transmits that order to a second retail florist who will prepare and deliver the order at the customer's direction, the sale takes place at the location where the first retail florist received the order from the customer. The sale from the second retail florist

to the first retail florist is not subject to Wisconsin sales or use tax if the first retail florist provides the second retail florist an exemption certificate claiming resale.

Example: Retail Florist B located in Wisconsin receives an order from a customer who wants the flowers delivered to a location in Kentucky. Retail Florist B contacts Retail Florist C, located in Kentucky, and has Retail Florist C prepare the order and deliver it to the location in Kentucky. The sale takes place at Retail Florist B's location in Wisconsin.

A "retail florist" is a person engaged in the business of selling cut flowers, floral arrangements, and potted plants and who prepares such flowers, floral arrangements, and potted plants. A person who sells cut flowers, floral arrangements, and potted plants primarily by mail or via the Internet is not a "retail florist."

Sales by persons who are not retail florists but who take orders for cut flowers, floral arrangements, and potted plants from customers and transmit those orders to a person who is a retail florist follow the General Sourcing Rules.

8. FILING RETURNS AND PAYING THE TAX

A. How Often Must a Return Be Filed?

If you have a seller's permit, use tax registration certificate, or consumer use tax registration certificate, you must file a return for each "reporting period," even if no tax is due for that period.* Your "reporting period" will be either monthly, quarterly, or annually. For example, if your reporting period is monthly, you must file a return for each month of the year, regardless of whether any tax is due for the month.

Generally, your reporting period will be quarterly unless the Department of Revenue notifies you in writing that your returns must be filed monthly or annually.

* Certain retailers who registered voluntarily through the Streamlined Sales Tax Governing Board's website who indicate at the time of registration that they do anticipate making taxable sales in Wisconsin are not required to file returns in Wisconsin until such time that the retailer makes a taxable sale in Wisconsin.

Wisconsin sales and use tax returns must be filed using one of the electronic filing methods listed in Part 8.B. A seller that is unable to file electronically may request a waiver from the Department of Revenue. A waiver will be granted if the requirement to file electronically causes an *undue hardship*. An example of an undue hardship is the onset of a disabling illness or injury.

Your request for a waiver must be **in writing**. The request should indicate the business name, tax account number, and the reason why your sales and use tax returns cannot be electronically filed. Requests can be made by email at DORWaiverRequest@wisconsin.gov; faxed to (608) 267-1030; or mailed to Wisconsin Department of Revenue, Mandate Waiver Request, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949.

Additional information about electronic filing and funds transfer is available online or you may contact the department by mail or email at DORSalesandUse@wisconsin.gov or by telephone at (608) 266-2776.

If you have been granted a waiver, a return will be mailed to you shortly before the end of each reporting period. If you do not receive your return within 15 days after the end of the reporting period, phone the Department of Revenue at (608) 266-2776.

B. Electronic Filing and Payment Options Available For Sales and Use Tax Return Filing

(1) My Tax Account

My Tax Account is a free, secure online application that allows you to file and pay your sales and use taxes electronically. It performs the necessary computations of tax based on information that you enter and allows you to make your tax payment via electronic funds transfer, credit card or paper check. My Tax Account also allows you to:

- View business tax filing and payment history and identify any tax periods that need attention.
- Change your address, obtain an extension to file a return or inactivate your account.
- File a buyer's claim for refund of sales tax paid to a seller in error.
- Appeal adjustment notices.

To use My Tax Account, you must obtain a logon ID and password from the Department of Revenue. Go to the My Tax Account Common Questions on the Department of Revenue's website for more information, including how to obtain your logon ID and password.

(2) Sales teleFile

You can file your Wisconsin sales and use tax return with any touch-tone telephone. This program accepts four payment types: Direct withdrawal (only available during the call in which you file your return), credit card, check, or money order. To use TeleFile, obtain a Sales TeleFile Worksheet & Payment Voucher. When you have completed the worksheet, call (608) 261-5340 to actually file your return.

(3) eFile transmission

This program is a service for taxpayers using approved private vendors' software or who have the technical expertise to create a file in XML format. eFile transmission places return data into a file format that can be directly processed into the Department of Revenue system. Using secure transmission over the Internet you can submit a payment at the same time that you file your return using ACH debit or ACH credit. You will receive an email acknowledgement to confirm receipt of a successful file transmission. Information about file transmission can be found on the Wisconsin Department of Revenue's website.

(4) Questions?

More information on all of the above services can be found under the "Businesses" or "Online Services" sections of the Department of Revenue website. If you have questions about electronic filing or payments, contact the department by writing to Wisconsin Department of Revenue, Electronic Funds Transfer Assistance, Mail Stop 3-80, P.O. Box 8902, Madison, WI 53708-8902; calling (608) 266-2776; or emailing at DORSalesAndUse@wisconsin.gov.

C. Business at More Than One Location

If you are one legal entity engaged in business at more than one location, even though you hold a separate seller's permit for each location, you must file one consolidated return which includes the information and figures for all of your business locations.

Example: If you operate ten restaurants at ten different locations in Wisconsin, only one return should be filed for each reporting period. That return should include the total sales, deductions, use tax, etc., for all ten restaurants.

D. Single-Owner Entity Disregarded as Separate Entity

The owner of a single-owner entity that is disregarded as a separate entity for purposes of Chapter 71 ("disregarded entity") has the option to (1) include the information from the disregarded entity on the owner's return, or (2) file a separate electronic sales and use tax return for the disregarded entity. If an owner that owns

more than one disregarded entity elects to file a separate return for one if its disregarded entities, the owner is required to file separate returns for all of its disregarded entities. Such returns shall be signed by the person required to file the return or by a duly authorized agent but need not be verified by oath.

Prior to September 1, 2009, if a single-owner entity was disregarded as a separate entity under sec. 7701 of the Internal Revenue Code, the owner was required to include the information from the entity on the owner's sales and use tax returns. See the Disregarded Entities Common Questions on the Department of Revenue's website for additional information, including transitional provisions for property purchased prior to July 1, 2009.

E. Seasonal Retailers

If you are open for business only part of the year, you may be allowed to file returns on a seasonal basis. If you are in this situation and have not yet registered for a seller's permit, the Form BTR-101, *Application for Business Tax Registration,* you file with the Department of Revenue should indicate the beginning and ending months of your business season. If you are already registered for a seller's permit, you may request to file on a seasonal basis by writing to the Department of Revenue, Mail Stop 3-80, P.O. Box 8902, Madison, WI 53708-8902; or calling (608) 266-2776; or emailing. This written request should include your Wisconsin tax account number, the beginning month of operation, and the closing month of operation. After a review of your account, a letter will be sent to you verifying your filing responsibility.

Note: Seasonal retailers are required to file returns monthly. During the months you are open for business, returns must be filed by the due date shown on the returns. If there is no change in your season, you are not required to file returns covering the periods in which you will not operate. You must notify the department of any change in your months of business operations.

F. Due Date for Filing

Returns must be filed by the last day of the month following the end of the reporting period. However, if the sales and use tax liability is more than $3,600 per quarter, returns may be due by the 20th day of the month following the end of the reporting period. Persons required to file by the 20th of the month will receive a written notice from the Department of Revenue indicating their due date for filing returns.

Example: You file returns on a monthly basis and the returns are due by the last day of the month following the end of the reporting period. Your return for the month of January must be filed by February 28. However, if you were notified by the Department of Revenue to file by the 20th of the month because your tax liability is more than $3,600 per quarter, the January return must be filed by February 20.

Note: When the due date falls on a weekend or legal holiday, the due date is extended to the next business day immediately following the weekend or holiday.

To be considered timely, a return filed electronically with ACH Debit method of payment, must be filed prior to 4:00 pm (CST) one business day before the due date in order for the payment to transfer on the due date. A return filed electronically is considered timely if e-filed on or before the due date.

If mailed, a return is considered filed by the due date if (1) the return is mailed in a properly addressed envelope with the postage duly prepaid, (2) the envelope containing the return is postmarked on or before the due date, and (3) the return is received by the department within five days of the due date.

"Mailed" includes delivery by a delivery service designated under sec. 7502(f) of the Internal Revenue Code.

If you close your business or cancel your seller's permit because you no longer make sales or purchases that are subject to tax, you are required to file a final return within 30 days after closing your business or cancelling your permit, regardless of your filing frequency. The department will accept the final return as timely-filed as long as

it is filed by the end of the month following the month in which the sales and use tax account was closed (20th day of the month for early monthly filers).

Example: If an account is closed effective June 15, the final sales and use tax return should be filed within 30 days, but no later than July 31.

G. Obtaining an Extension of Time to File

If you cannot file your return by the due date, you should write to the Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949, before the due date of the return and request an extension of time to file. The department may grant you an additional month from the due date of the original return to file the return. However, if the tax is not paid by the original due date, the tax will be subject to 1% interest per month during the extension period. You will not lose the retailer's discount or be subject to a late filing fee if you pay the total tax due within the extension period.

H. Payment of Tax

The tax may be paid by check, money order, or electronically. Do not use cash or postage stamps.

If you choose to pay electronically, the payment options available are the Automated Clearing House (ACH) debit and ACH credit.

- ACH Debit - The ACH debit method allows you to transfer funds by instructing the state to electronically debit a bank account you control by making a payment request at the time of filing your return electronically. If you choose to file your return electronically using My Tax Account, Sales Telefile or XML File Transmission you are given an option to instruct the state to debit your bank account for the amount owed on the return. You instruct the state (grant the state permission) to debit your bank account by supplying your Routing Transit Number (RTN), bank account number, requested payment date and payment amount at the time of filing the return. There is no cost for this type of payment transaction. This option is recommended because of the simplicity and cost savings to you.
- ACH Credit - The ACH credit method allows you to transfer funds by instructing your financial institution to debit your account and credit the state's bank account. Financial institutions may charge a fee for making ACH credit payments.

I. Retailer's Discount

As partial compensation for collecting, accounting for, and reporting the tax, retailers may take a credit, which is called the "retailer's discount." The discount is not allowed on any tax paid after the due date (or extended, in the case of an extension, after the due date) of the sales and use tax return.

The retailer's discount is 0.5% of a retailer's sales and use tax payable, with the exception listed below. The retailer's discount that may be deducted on a sales and use tax return is limited to $1,000 per reporting period.

Exception: If multiplying the sales and use tax payable by 0.5% results in $10 or less, the retailer's discount is the lesser of (1) $10 or (2) the sales and use tax payable.

"Sales and use tax payable" includes the following amounts:

(1) The amount of the 5% state (Wisconsin) sales and use tax payable on retail sales.

(2) The amount of the 0.5% county sales and use tax payable on retail sales.

(3) The amount of the 0.1% or 0.5% stadium sales and use tax payable on retail sales.

Note: The retailer's discount does not apply to use tax payable on purchases of tangible personal property; items, property, and goods described in Part 10.A.(2) to (4); and taxable services.

J. Correcting an Error – Underpayments

If you file your return and then later become aware that you made an error on the return by underreporting the tax due, you should correct your error using My Tax Account, the Department of Revenue's Internet-based tax service. See Part 8.B.(1) for additional information about how to use *My Tax Account.*

Instead of using My Tax Account, you may correct your error by filing an amended paper Form ST-12, *Wisconsin Sales and Use Tax Return*. Refer to the instructions for Form ST-12 for more information.

K. Overpayments – Filing Claims for Refund

If you determine that you overpaid Wisconsin sales or use tax to the Department of Revenue or a seller, a claim for refund of the overpaid tax may be filed as explained below. Who may file the claim for refund depends on whether you are a seller or a buyer.

***Sellers*:**

If you overpaid Wisconsin sales or use tax on the sale of tangible personal property or taxable services to a buyer, you may file a claim for refund. It is suggested that you file the refund claim using Form ST-12, *Wisconsin Sales and Use Tax Return,* as an amended return. In lieu of Form ST-12, you may file a claim for refund in letter form, including your tax account number, the reporting period, and a statement giving the specific reasons for claiming the refund, as well as the amount requested.

Refer to the instructions for Form ST-12 for more information on how to use Form ST-12 as an amended return.

Claims for refund should be sent to Wisconsin Department of Revenue, Mail Stop 3-107, P.O. Box 8906, Madison, WI 53708-8906.

Caution: If you collected sales or use tax from buyers, you must return to the buyer the tax and interest refunded to you by the Department of Revenue as a result of your claim for refund. If you are unable to return the tax and interest to the buyer, you must return the refund to the Department of Revenue. Failure to return the refund may result in a penalty being imposed.

Effective July 2, 2013, a seller that receives a fully completed exemption certificate from the purchaser after reporting a sale covered by the exemption certificate as taxable may claim a deduction on its sales tax return for the sales price of the items covered by the exemption certificate if **all** of the following conditions are satisfied:

- The seller has paid the tax to the Department of Revenue,
- The exemption certificate was received by the retailer in the same taxable year (for income or franchise tax purposes) of the seller in which the sale covered by the exemption certificate occurred, and
- The seller has returned to the buyer, in cash or credit, all tax previously paid by the buyer on the sale.

The deduction is claimed on the return filed for the period in which the seller receives the exemption certificate. If the seller is ineligible to claim a deduction on its sales tax return, the seller may file a claim for refund by amending the sales tax return for the period in which the sale was reported and tax paid.

***Buyers*:**

A buyer may file a claim for refund with the Department of Revenue for sales or use tax paid in error to a seller if the claim for refund is $50 or more of tax.

If the tax paid in error is less than $50, a buyer may still file a claim for refund with the department for tax paid in error to a seller if (1) the seller is out-of-business, (2) the buyer is being field audited, or (3) the period covered in the claim for refund is within the statute of limitations for the buyer, but is closed to the seller. If none of these conditions are met by the buyer and the claim for refund is under $50, the buyer may not file a claim for refund with the department, but may request the seller who paid the tax to the department to file a claim for refund.

A buyer may file a claim for refund with the Department of Revenue for sales or use tax paid in error to a seller if the claim for refund is $50 or more of tax.

If the tax paid in error is less than $50, a buyer may still file a claim for refund with the department for tax paid in error to a seller if (1) the seller is out-of-business, (2) the buyer is being field audited, or (3) the period covered in the claim for refund is within the statute of limitations for the buyer, but is closed to the seller. If none of these conditions are met by the buyer and the claim for refund is under $50, the buyer may not file a claim for refund with the department, but may request the seller who paid the tax to the department to file a claim for refund.

Buyers that overpaid sales or use tax to a seller can file a claim for refund using one of the following two methods:

- File an electronic Buyer's Claim for Refund; or
- File a paper Form S-220, *Buyer's Claim for Refund of Wisconsin State, County, and Stadium Sales Taxes* (also known as Form BCR). Form S-220a, *Attachment to Form BCR, Buyer's Claim for Refund of Wisconsin State, County, and Stadium Sales Taxes* (also known as Schedule P), must be completed and attached to Form S-220 for each seller to whom the buyer paid sales or use tax in error.

Whether you are a seller or a buyer, a claim for refund may generally be filed within four years after the unextended due date of your Wisconsin income or franchise tax return. If you are not required to file a Wisconsin income or franchise tax return, a claim for refund may be filed within four years of the 15th day of the 4th month of the year following the close of the taxable year. However, if you have been audited by the Department of Revenue, different time limits may apply.

For more information on claims for refund, including when a claim must be filed, obtain Publication 216, *Filing Claims for Refund of Sales or Use Tax*.

L. Refund of Tax From Seller to Buyer

A seller is required to refund taxes and related interest to the buyers from whom the taxes were collected, in the following situations:

Situation 1: The seller files a claim for refund with the Wisconsin Department of Revenue, for taxes that the seller has collected from buyers, and receives such refund.

Situation 2: The seller files a claim for refund with the Wisconsin Department of Revenue, for taxes that the seller has collected from buyers, and the seller is entitled to a refund of such taxes, but the refund is offset against deficiencies of the seller due and owing on the books of the Wisconsin Department of Revenue.

Situation 3: The seller collects amounts as taxes erroneously from buyers, but the seller does not remit such amounts to the state.

If the seller cannot locate the buyers, the seller must return the taxes and related interest to the Wisconsin Department of Revenue within 90 days after the date of the refund, within 90 days after the date of the offset, or within 90 days after discovering that the seller has collected taxes erroneously from the buyers.

A person who collects amounts as taxes erroneously from buyers for a real property construction activity or nontaxable service may reduce the taxes and interest that he or she is required to submit to the buyer or to the Department of Revenue under this provision for that activity or service by the amount of tax and interest subsequently due and paid on the sale of or the storage, use, or other consumption of a taxable product that is used by the person in that activity or service and transferred to the buyer.

Adjustments and Refunds Received By Sellers On or After April 18, 2018

A seller who continues to collect tax erroneously on a product after receiving two or more written notices from the department stating that the product is not taxable is only entitled to an adjustment for, or a refund of, the tax if the seller returns the tax and associated interest to the buyer from whom it was collected within 90 days after the date of the refund. If the seller cannot locate the buyer within 90 days after the date of the adjustment or refund, the seller must return the taxes and related interest to the department.

Offsets

The department may offset the amount of any refund for a period, together with interest on the refund, against deficiencies for another period, and against penalties and interest on the deficiencies, or against any amount of whatever kind, due and owing on the books of the department from the person who is entitled to the refund.

The Department of Revenue may offset state payments against federal nontax obligations. The department may charge a fee of up to $25 per transaction for such offsets, offset federal payments against state tax and nontax obligations, and collect the offset cost from the debtor. The federal Department of the Treasury may deduct a fee from each administrative offset and state payment offset. "Administrative offset" is any offset of federal payments to collect state debts and "state payment offset" is any offset of state payments to collect federal nontax debts.

Note: The law was amended to clarify that overpayments are not characterized as refunds until after the setoffs are made for delinquent debts to the Department of Revenue, other Wisconsin state agencies, and local governmental units in Wisconsin (first applies to taxable years beginning on January 1, 2016).

M. Failing to File or Pay or Filing Incorrect Returns Is Costly

If you do not file returns or pay the tax by the due date or file incorrect returns, you can be assessed late filing fees, penalties, and interest. In addition, a lien can be filed against your property, your seller's permit can be revoked, and criminal charges can be filed against you. Listed below are some of the penalties, interest, and other actions that can take place if you fail to file or pay by the due date or file incorrect returns.

Failure to File or Pay By the Due Date

- Negligence penalty of 5% of the tax due for each month (or part of a month) the return is filed after the due date. The maximum negligence penalty for late filing is 25% of the tax due.
- $20 late filing fee for not filing a return by the due date because of neglect, unless the return was filed late because of the death of the person required to file the return.
- Interest of 18% per year on any unpaid taxes that are delinquent.
- Retailer's discount is not allowed if taxes are paid after the due date or extended due date.

- A lien is filed against your property. This lien is filed with the county clerk of court and is a public record. After the lien is filed, your property cannot be sold without the delinquent taxes, interest, penalties, and fees being paid to the Department of Revenue.
- Seller's permit may be revoked if you fail to file returns or pay taxes by the due date. Criminal charges may be brought against a person who operates without a seller's permit or after a permit is revoked.
- Estimated assessment may be issued which includes penalty of 25% of estimated tax.

Filing Incorrect Returns or Claims for Refund

- Negligence penalty of 25% of the additional taxes due if there is negligence in filing the return.
- Negligence penalty of 25% of the difference between the amount of a refund claimed and the amount that should have been claimed if there is negligence in filing a claim for refund.
- Fraud penalty of 100% of the difference between the amount of a refund claimed and the amount that should have been claimed if there is fraud in filing a claim for refund.
- Fraud penalty of 50% of the additional taxes due if there was intent to defeat or evade the taxes in filing the return.
- Negligence penalty of 50% of tax finally determined if, due to neglect, an incorrect return is filed to report the purchase of a motor vehicle, boat, snowmobile, recreational vehicle, trailer, semitrailer, all-terrain vehicle, or aircraft.

Criminal Charges

In addition to the civil penalties and other actions described above, criminal charges may be brought against a person for the following violations:

- Failing or refusing to furnish a sales and use tax return or data required by the Department of Revenue.
- Filing a false or fraudulent sales and use tax return or failing to file by the due date with the intent to defeat or evade the tax.
- Aiding, abetting, or assisting another person in filing or making a false or fraudulent sales and use tax return with intent to defeat or evade the tax.
- Refusing or failing to keep records, receipts, invoices, or other documents in such form as the Department of Revenue requires.
- Giving a resale certificate or other exemption certificate to the seller when the purchaser knows at the time of purchase that the item is not to be resold or the property is not exempt and such resale certificate or exemption certificate is given for the purpose of evading payment of the tax to the seller.
- Operating as a seller of taxable property or services without a permit or after a permit has been suspended or revoked.
- Advertising or holding out to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the selling price or, if added, will be refunded.
- Intentionally failing or refusing to pay state and county sales and use tax money collected from a consumer, user, or purchaser to the Department of Revenue by the due date for payment, or fraudulently withholding, appropriating, or using these tax moneys, regardless of the person's interest in the tax moneys. Payments to creditors in preference to payment of the tax moneys to the Department of Revenue by any person is prima facie evidence of an intent to fraudulently use these tax moneys.

Penalties for Failing to Provide Records

A person who fails to produce records or documents, as provided by law, that support amounts or other information required to be shown on a return may be subject to any of the following penalties, as determined by the Department of Revenue, except that the Department of Revenue may not impose a penalty under this subsection if the person shows that under all facts and circumstances the person's response, or failure to respond, to the Department of Revenue's request was reasonable or justified by factors beyond the person's control:

- The disallowance of deductions, credits, exemptions, or inclusions of additional taxable sales or additional taxable purchases to which the requested records relate.
- A penalty for each violation of this subsection that is equal to the greater of $500 or 25% of the amount of the additional tax on any adjustment made by the Department of Revenue that results from the person's failure to produce the records.
- The Department of Revenue shall promulgate rules to administer this penalty and the rules shall include a standard response time, a standard for noncompliance, and penalty waiver provisions.

See sec. Tax 11.90, "Penalty for failure to produce records under s. 77.61(19), Stats.," Wis. Adm. Code (June 2010 Register), for additional information about this penalty.

Internet Posting of Seller's Permits that Have Been Revoked

The Department of Revenue is required by law to post on the Internet a list of every person who has had a seller's permit revoked. The Internet site lists the real name, business name, address, revocation date, type of tax due, and amount due, including interests, penalties, fees, and costs, for each person who has had a seller's permit revoked. The department is required to update the Internet site periodically to add revoked permits and to remove permits that are no longer revoked or for which the permit holder has made sufficient arrangements with the department so that the permit holder may be issued a monthly seller's permit. The department will update the Internet site quarterly to remove revoked permits for entities that have been out of business for at least one year.

Personal Liability

A person required to collect, account for, or pay sales or use taxes, who willfully fails to collect, account for, or pay those taxes to the Department of Revenue, is personally liable for such taxes, including interest and penalties, if that person's principal is unable to pay such amounts to the department.

9. RECORD KEEPING

A. General Records to Keep

If you are required to file sales and use tax returns or consumer use tax returns, you must keep adequate records of business transactions to enable you and the Department of Revenue to determine the correct tax due. The required records include complete and accurate records of beginning and ending inventories, purchases, sales, canceled checks, receipts, invoices, bills of lading, and all other documents and books of account pertaining to the business.

See sec. Tax 11.92, Wis. Adm. Code, "Records and record keeping," in Appendix C for more information.

If you make retail sales and at the same time are engaged in some other nontaxable business, occupation, or profession, you must keep records to show separately the transactions used in determining the sales and use

tax due. If separate records are not kept, the tax may be imposed upon the total sales from all of your business operations.

B. Records to Keep – Exempt Sales, Exemption Certificates

If you claim that part or all of your retail sales of taxable products or services are exempt from sales and use tax, you are required to keep a record of the name and address of the person to whom the exempt sale was made, the date of sale, the article sold, the amount of exemption, and the reason that the sale was exempt from tax. This record must be signed by the purchaser.

Exceptions: This information is not required for:

- Sales, as described in Part 11.B.
- Sales of commodities, as defined in 7 U.S.C. §2, that are consigned for sale in a warehouse in or from which the commodity is deliverable on a contract for future delivery subject to rules of a commodity market regulated by the U.S. Commodity Futures Trading Commission if upon the sale the commodity is not removed from the warehouse.
- Sales of cattle, sheep, goats, and pigs that are sold at a livestock market, as defined in sec. 95.68(1)(e), Wis. Stats. section 95.68(1)(e), Wis. Stats., defines livestock market as any premises which are open to the public for the purpose of trading in livestock and on which facilities are maintained for their yarding, feeding and watering prior to sale.

The reason for keeping such records is that the sales and use tax law provides that the sales price from all sales of taxable products and services is subject to the tax until the contrary is established. (See "Penalties for Failing to Provide Records," in Part 8.M.) The seller has the burden of proving that a sale of taxable products or services is exempt, unless the seller takes a fully completed exemption certificate (or other information as described in *Number 3,* below) from the purchaser which indicates that the property, item, good, or service being purchased is for resale or is otherwise exempt.

A seller or lessor who accepts a fully completed exemption certificate from the purchaser within 90 days of the sale is relieved of any liability for payment of tax upon transactions covered by the certificate.

If a retailer regularly sells the same kind of item to the same customer, a certificate known as a "continuous certificate," which is good indefinitely, may also be used for future transactions. Although continuous exemption certificates do not expire and are not required to be renewed at any prescribed interval, such certificates should be renewed at reasonable intervals in case of a business change, registration number change, or discontinuance of the specific business claiming the exemption. The seller should periodically review exemption certificates on file to ascertain that the person claiming the exemption is the person who furnished the certificate.

If a purchaser provides an exemption certificate indicating that the property purchased will be used for activities or under circumstances which make the purchase of the property exempt from the sales tax or for resale, and the property is subsequently used by the purchaser in a manner that makes the property ineligible for exemption from tax, the purchaser is liable for payment of the applicable sales or use tax. A purchaser who uses an exemption certificate in a manner that is prohibited by or inconsistent with Wisconsin law or who provides incorrect information to a seller relating to an exemption being claimed will also be subject to a penalty of $250 for each invoice or bill of sale related to the prohibited or inconsistent use to which the incorrect information applies.

Three common reasons that sales of taxable products or services may be exempt are as follows:

(1) The use to be made of the item purchased is exempt or the item is to be resold. For example, the machine is going to be used exclusively and directly in manufacturing or the tractor is going to be used exclusively and directly in farming and is, therefore, exempt.

The seller should obtain a completed Form S-211, *Wisconsin Sales and Use Tax Exemption Certificate*, Wisconsin's electronic exemption certificate (S-211E) or Form S-211-SST, *Streamlined Sales and Use Tax Exemption Certificate*, from the purchaser.

Drop Shipments – Sales for Resale
A manufacturer or other seller may accept an exemption certificate claiming resale from an out-of-state purchaser even when the manufacturer or other seller is directed to ship the product to a consumer in Wisconsin ("drop shipment") and the out-of-state purchaser does not have a Wisconsin seller's permit or Wisconsin use tax registration certificate.

(2) The purchasing organization is an exempt entity, such as a Wisconsin public school, Wisconsin municipality, or a federal governmental unit.

Note: All invoices and billings must be made in the name of the exempt organization.

- Sales to a federal or Wisconsin governmental unit, federally recognized American Indian tribe or band in Wisconsin, Wisconsin municipality, or Wisconsin public school should be supported by one of the following:

(a) A purchase order or similar written document identifying the governmental unit, tribe, or band as the purchaser.

(b) Form S-211, S-211E, or Form S-211-SST.

(c) Recording the federal or Wisconsin governmental unit's or Tribe's Certificate of Exempt Status (CES) number on the invoice.

- Sales to nonprofit organizations organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or should be supported by one of the following:

(a) Form S-211, S-211E, or Form S-211-SST.

(b) Recording the organization's Certificate of Exempt Status (CES) number on the invoice.

Nonprofit organizations organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, may apply on Form S-103 *Application for Wisconsin Sales and Use Tax Certificate of Exempt Status (CES)*, to the Department of Revenue for a Certificate of Exempt Status (CES) and, if approved, will be issued a CES number by the department.

Note regarding U.S. Government Bankcards: A retailer that is making an exempt sale to a person holding an approved U.S. Government Bankcard must support the exempt sale with one of the items listed above. Sales to persons holding debit cards issued by the Federal Emergency Management Agency (FEMA) for disaster relief do not qualify for exemption. Please refer to Part 11.D.(4) for additional information about sales to persons holding U.S. Government Bankcards or receiving disaster relief payments, respectively.

Note regarding disaster relief vouchers and bankcards issued by organizations holding a CES number: A retailer that is making an exempt sale to a person holding a qualifying voucher or bankcard issued by an exempt organization must support the exempt sale by retaining a copy of the voucher or bank card and receipt, and indicating the exempt organization's CES number on the receipt to prove that the sale qualifies for exemption from Wisconsin sales and use tax. Please refer to Part 11.E. for additional information about

specific vouchers and cards and whether sales to persons holding such vouchers or cards qualify for exemption.

(3) The purchaser furnishes the seller (a) a copy of its direct pay permit or (b) a statement that the buyer holds a direct pay permit, the permit number, and the date the permit was issued. See Part 17 for more information on direct pay.

Note: If exemptions are claimed for any of the above three reasons, you must keep as part of your records the completed certificates, purchase orders, or invoices to prove that the sales are exempt. If the Department of Revenue conducts an audit of your records, and you do not have the required exemption certificates or other required documents to prove that the sales are exempt, the sales will be presumed to be taxable and subject to the sales tax.

See sec. Tax 11.14, Wis. Adm. Code, "Exemption certificates" for more information about exemption certificates.

10. WHAT IS TAXABLE?

A retailer's sales price from the sale, license, lease, or rental of taxable products or the selling, performing, or furnishing of taxable services is subject to Wisconsin sales tax. The storage, use, or other consumption in Wisconsin of taxable products or services is subject to Wisconsin use tax, unless Wisconsin sales tax was paid by the buyer when purchasing the product or service.

No sales or use tax is payable on a sale or purchase of a product or a service if the product or service is resold or if an exemption applies.

Refer to Part 11 for more information on exemptions.

A description of the types of products and services which are subject to sales and use tax follows:

A. Tangible Personal Property, Items, Property, and Goods (Taxable Products)

Sales, licenses, leases, and rentals of the following tangible personal property, items, property, and goods are subject to the Wisconsin sales tax:

(1) Tangible personal property. "Tangible personal property" means personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses, and includes electricity, gas, steam, water, and prewritten computer software, regardless of how it is delivered to the purchaser.

(2) Coins or stamps of the United States that are sold, licensed, leased, rented, or traded as collector's items above their face value.

(3) Leased tangible personal property that is affixed to real property, if the lessor has the right to remove the leased property upon breach or termination of the lease agreement, unless the lessor of the leased property is also the lessor of the real property to which the leased property is affixed.

(4) Specified digital goods, additional digital goods, and digital codes. These digital goods are characterized by the fact that they are transferred electronically to the purchaser (i.e., accessed or obtained by the purchaser by means other than tangible storage media). "Specified digital goods" means "digital audio works," "digital audiovisual works," and "digital books." "Additional digital goods" means greeting cards, finished artwork, periodicals, video or electronic games, and newspapers or other news or information products. See Publication 240 for a detailed description of which digital goods are taxable.

The products in 1 to 4, above, are subject to tax under sec. 77.52(a) through (d), Wis. Stats., respectively, and will be referred to collectively in this publication as "taxable products."

B. Services

Certain specified services which are sold, licensed, performed, or furnished at retail in Wisconsin are subject to Wisconsin sales or use tax, unless the service provider or the buyer is exempt from tax on the particular transaction. Total sales from the selling, licensing, performing, or furnishing of the following services are taxable, including any charges for taxable products transferred in conjunction with the service:

(1) Admissions and Access Privileges

- Admissions to amusement, athletic, entertainment, or recreational events or places, such as admissions to movies, plays, ballets, musical and dance performances, fairs, ball games, campgrounds, circuses, carnivals, hockey games, ice shows, races, festivals, and other spectator events.
- The privilege of access to or the use of amusement, entertainment, athletic, or recreational facilities for dues, fees, or other considerations, such as charges by country clubs, golf clubs, athletic clubs, swimming clubs, yachting clubs, tennis clubs, and flying clubs, or charges for the use of gymnasiums, auditoriums, theaters, and other facilities to be used for entertainment, amusement, athletic, or recreational purposes.
- Admissions to customer participation events, such as swimming, skiing, bowling, skating, golfing, curling, dancing, and horseback riding.
- Entry fees to runs, walks, and races.
- Sales of bingo cards of all kinds to players, including admission charges. Bingo event sponsors are required to report and pay the sales tax directly to the Department of Revenue.
- Rental fees or admission charges to multipurpose facilities when the facility will be used for a recreational, amusement, entertainment, or athletic event (e.g., auditoriums, gymnasiums, wedding reception or other party facilities), unless the facility will be rented to a promoter, professional group, or other person who will sell admissions to the public. In order to claim exemption from sales tax, the person renting the facility must provide the seller with an exemption certificate (e.g., Form S-211, S-211E, Form S-211-SST) claiming resale.

  For additional information, see Fact Sheet 2107, *Rentals of Multipurpose Facilities*.

  Exceptions:

  - Admissions to **county fairs** are not subject to Wisconsin sales or use tax.
  - The sale of admissions by any baseball team affiliated with the **Wisconsin Department of American Legion baseball** is not subject to Wisconsin sales or use tax.
  - The sale of admissions by a **gun club**, including the sale of a gun club membership, is not subject to Wisconsin sales or use tax if the gun club is a nonprofit organization and if the gun club provides safety classes to at least 25 individuals in the calendar year.
  - **Entry fees for contests** are not taxable if the primary motive of the majority of the persons entering the contest is "business," and not "recreation" (e.g., professional golfers entering a major tournament).
  - Admissions, such as **league entry fees**, sold by a nonprofit organization to participate in any sports activity in which more than 50 percent of the participants are 19 years old or younger are not subject to Wisconsin sales tax.

- The sale or furnishing of recreational facilities on a periodic basis or other recreational rights in connection with the sale or use of **time-share property** is not taxable *if the facilities are not available to persons who have not purchased the time-share property (other than guests*). For example, if the facilities or rights are available to the general public for a fee, the sale or furnishing of such facilities or rights is taxable, even if sold or furnished in connection with the sale of time-share property.
- Charges for **lessons or classes** of study are not subject to Wisconsin sales or use tax.
- Sales of a **one-time license** or similar right to purchase admissions to professional football games at a football stadium, as defined in sec. 229.821(6), Wis. Stats., are not subject to tax with the following conditions:
  - The license or right to purchase must be granted by a municipality, a local professional football stadium district, or a professional football team or related party, as defined in sec. 229.821(12), Wis. Stats.
  - The person who purchases the license or right must be entitled, at the time of license or right transfer, to purchase admission to at least three professional football games in Wisconsin during one football season.
- Admissions to **museums** of history, art, or science, and to auto or trade shows are not subject to tax unless professional entertainment is provided at the show. Also, all admission fees to any museum operated by a nonprofit corporation under a lease agreement with the state historical society, such as the Circus World Museum, are not taxable.
- Admission fees, admission stickers, and campground fees to **Wisconsin state parks** are not subject to Wisconsin sales or use tax.

Refer to sec. Tax 11.54, Wis. Adm. Code, "Temporary amusement, entertainment or recreational events or places," and sec. Tax 11.65, Wis. Adm. Code, "Admissions," for more information.

(2) Amusement Devices

The privilege of access to or the use of jukeboxes, pinball machines, arcades, mechanical rides, and mechanical games. Payments (i.e., commissions) by vending machine owners or operators to the owner or operator of the establishment in which a machine is placed do not reduce taxable sales.

For additional information, see the following:

- Article titled "Amusement Device Operators"
- Section Tax 11.52, Wis. Adm. Code, "Coin-operated vending machines and amusement devices"
- Video gambling machine articles on pages 4-6 of *Wisconsin Tax Bulletin #140* (October 2004) and pages 14-15 of *Wisconsin Tax Bulletin #146* (February 2006)

(3) Cable Television

Cable television system services provided to customers located in Wisconsin, including installation charges.

(4) Landscaping and Lawn Maintenance

Landscaping and lawn maintenance services, including landscape planning and counseling, lawn and garden services such as planting, mowing, spraying, and fertilizing and shrub and tree services.

Refer to Wisconsin Publication 210, *Sales and Use Tax Treatment of Landscaping*, for more information.

(5) Laundry and Dry Cleaning

Laundry, dry cleaning, pressing, and dyeing services and the rental of linens, uniforms, and towels.

Note 1: This type of service performed on cloth diapers by a diaper service, raw materials or goods in process destined for sale is not taxable.

Note 2: Beginning on October 1, 2013, laundry, dry cleaning, pressing, and dyeing services are not taxable when the service is performed by the customer through the use of self-service machines. Prior to October 1, 2013, only such services performed by the customer through the use of coin-operated, self-service machines were not taxable (receipts from self-service machines operated by tokens, magnetic cards, or other medium other than coins were taxable).

Refer to sec. Tax 11.72, Wis. Adm. Code, "Laundries, dry cleaners, and linen and clothing suppliers," for more information.

(6) Parking and Docking

- Parking or providing parking space for motor vehicles and aircraft, including parking for vehicles used for carrying property or passengers.

  Parking includes the temporary storage of a motor vehicle or aircraft that is available for immediate use. Storage of a motor vehicle or aircraft that is not available for immediate use is not taxable (e.g., the storage of a damaged motor vehicle that cannot be driven).

  Refer to sec. Tax 11.49, "Service stations and fuel oil dealers," and sec. Tax 11.84, Wis. Adm. Code, "Aircraft," for more information.

- Providing docking or storage space for boats.

Refer to sec. Tax 11.48, Wis. Adm. Code, "Landlords, hotels and motels," and sec. Tax 11.85, Wis. Adm. Code, "Boats, vessels and barges," for more information.

(7) Photographic

- Photographic services, including the processing, printing, and enlarging of film.
- Services of photographers for the taking, reproducing, and sale of photographs, including those sold to students through schools.
- Videotaping services.

Refer to sec. Tax 11.47, Wis. Adm. Code, "Commercial photographers and photographic services," for more information.

(8) Producing, Fabricating, and Printing

The producing, fabricating, processing, printing, or imprinting of taxable products for a consideration for consumers who furnish directly or indirectly the materials used in producing, fabricating, processing, printing, or imprinting. For example, the making of a custom tailored suit for a customer who furnished the material is taxable.

Exception: Tax does not apply to the service of printing or imprinting of a taxable product that results in:

- Advertising and promotional direct mail (sec. 77.54(59), Wis. Stats.) (effective July 1, 2013),

- Printed advertising materials transported outside Wisconsin by the purchaser for use solely outside Wisconsin (sec. 77.54(25), Wis. Stats.), or
- Certain catalogs and their mailing envelopes (sec. 77.54(25m), Wis. Stats.).

See Part 11.C.(1), (4), and (21) for information about the exemptions for advertising and promotional direct mail, printed advertising materials, and catalogs.

Refer to sec. Tax 11.38, Wis. Adm. Code, "Fabricating and processing," and sec. Tax 11.56, Wis. Adm. Code, "Printing industry," for more information.

(9) Repair and Service of Taxable Products

The repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of taxable products. Mileage and delivery charges associated with these taxable repairs and services are also taxable.

The items listed below are deemed to retain their character as tangible personal property for purposes of repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance, regardless of whether the repair, service, alteration, etc., of the product is an addition to or a capital improvement of real property.

The original installation or the complete replacement of an item listed below continues to be nontaxable if such installation or replacement is a real property construction activity under sec. 77.51(2), Wis. Stats.:

- air conditioners
- awnings
- bar equipment
- bathroom fixtures
- blinds
- boilers
- burglar alarm and fire alarm fixtures
- carpeting and rugs
- clothes dryers
- clothes washers
- coolers
- dehumidifiers
- dishwashers
- electric clocks
- electronic dust collectors
- electric signs
- equipment in offices, business facilities, schools, and hospitals, but not in residential facilities including personal residences, apartments, long-term care facilities as defined under sec. 16.009(1)(em), Wis.

Stats., prisons, mental health institutes, as defined in sec. 51.01(12), Wis. Stats., centers for the developmentally disabled, as defined in sec. 51.01(3), Wis. Stats., Type 1 juvenile correctional facilities as defined in sec. 938.02(19), Wis. Stats., or similar facilities including, by way of illustration but not of limitation, all of the following:

- beverage making equipment
- canvas awnings
- chandeliers
- compressors
- condensing units
- evaporative condensers
- fans
- ice and milk dispensers
- lamps
- office and business machines
- pneumatic conveying systems
- soda fountains
- steam warmers and tables
- vending machines
- venetian blinds

- freezers
- furnaces
- furniture and furnishings
- intercoms
- jukeboxes
- garbage disposal units
- gas and electric logs
- grills and rotisseries
- heat lamps
- heaters
- humidifiers
- incinerators
- intercoms
- laundry, dry cleaning, and pressing machines
- ovens (including associated hoods and exhaust systems)
- power tools
- radios and radio antennas

- record players
- recreational, sporting, gymnasium, and athletic goods and equipment including by way of illustration but not of limitation:
  - bowling alleys
  - golf practice equipment
  - pool tables
  - punching bags
  - ski tows
  - swimming pools
- refrigerators
- sinks
- stoves
- tape players
- television receivers and antennas
- vacuum cleaners
- water conditioners and softeners
- water heaters
- water pumps

Note: Some items above are also tangible personal property when installed.

Refer to sec. Tax 11.68, Wis. Adm. Code, "Construction contractors," Part 12 of this publication, and Publication 207 *Sales and Use Tax Information for Contractors*, for more information.

(10) Contracts for Future Performance of Services

Sales of contracts, including service contracts, maintenance agreements, computer software maintenance contracts for prewritten computer software, and warranties, that provide, in whole or in part, for the future performance of or payment for the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance of taxable products, unless the sale, license, lease, or rental in this state of the product to which the contract relates is or was exempt, to the purchaser of the contract, from sales and use tax. Mileage and delivery charges associated with these contracts are also taxable.

(11) Rooms and Lodging for Less Than One Month

Furnishing of rooms or lodging to a person for a continuous period of less than one month by hotelkeepers, motel operators, and other persons furnishing hotel, motel, or other furnished accommodations that are available to the public, regardless of whether membership is required for use of the accommodations.

"One month" means a calendar month or 30 days, whichever is less, counting the first day of the rental, but not counting the last day of the rental.

"Hotel" or "motel" includes inns, tourist homes, tourist houses or courts, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges, and cabins.

Exceptions:

- The furnishing of rooms or lodging through the sale of any kind of time-share property is not taxable.
- The furnishing of accommodations by any hospital, sanatorium, or nursing home is not taxable.
- The furnishing of accommodations by nonprofit corporations or associations organized or operated exclusively for religious, charitable, or educational purposes, such as public schools, colleges, and universities, for any period of time is not taxable.

Note: Charges by a lodging provider for telecommunications, ancillary, Internet access and cable TV services are not taxable. The lodging provider's purchase of these services is subject to tax.

Refer to sec. Tax 11.46, Wis. Adm. Code, "Summer camps," sec. Tax 11.48, Wis. Adm. Code, "Landlords, hotels and motels," and Publication 219, *Hotels, Motels and Other Lodging Providers*, for more information.

(12) Internet Access, Prepaid Calling, Telecommunications, and Ancillary Services

Sales of the following services, if the service takes place in Wisconsin:

- Internet Access Services (not taxable beginning July 1, 2020)
- Prepaid Calling Services
- Telecommunications Services, including the following:
  - Intrastate telecommunications services
  - Interstate telecommunications services
  - International telecommunications services
  - Private communication services
  - 800 services, except interstate 800 services
  - 900 services
  - Fixed wireless services
  - Mobile wireless services
  - Stationary two-way radio services
  - Paging services
  - Facsimile, or FAX, transmission services
  - Prepaid wireless calling services
  - Value-added non-voice data services
  - Residential communications services
  - Coin-operated telephone services
- Ancillary Services, including the following:
  - Conference bridging services

- Directory assistance services
- Call forwarding services
- Voice mail services
- Caller ID services
- Call waiting services

Exceptions: The following are not taxable:

- Interstate 800 services
- Interstate or international telecommunications service if the service occurs at a location outside Wisconsin
- Revenues collected under sec. 256.35(3), Wis. Stats., and the police and fire protection fees under sec. 196.025(6), Wis. Stats.

"Internet access 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 services; 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.

"Prepaid calling services" means the right to exclusively access telecommunications services, if that right is paid for in advance of providing such services, requires using an access number or authorization code to originate calls, and is sold in predetermined units or dollars that decrease with use in a known amount.

"Telecommunications services" means electronically transmitting, conveying, or routing voice, data, audio, video, or other information or signals to a point or between or among points. "Telecommunications services" includes the transmission, conveyance, or routing of such information or signals in which computer processing applications are used to act on the content's form, code, or protocol for transmission, conveyance, or routing purposes, regardless of whether the service is referred to as a voice over Internet protocol service or classified by the federal communications commission as an enhanced or value-added nonvoice data service. "Telecommunications services" do not include ancillary services or Internet access services.

"Ancillary services" are those services that are associated with or incidental to providing telecommunications services, including detailed telecommunications billing, directory assistance, vertical service, and voice mail services.

Note: Receipts from "911" charges, including wireless surcharges, and police and fire protection fees are not taxable.

Where does the sale take place?

There are special provisions that apply to where the sale of a telecommunications service (and certain related services) takes place (i.e., where the sale is "sourced"). Please refer to sec. Tax 11.66, Wis. Adm. Code, "Telecommunication and telecommunications message services," for more information.

(13) Telecommunications Message Services

Telecommunications message 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 services that are taxable as telecommunications services, ancillary services, or Internet access services or services that are incidental to another service that is not taxable and sold to the purchaser of the incidental service. Telecommunications message services include the following:

- Nonmechanical telephone answering services.
- Security monitoring services that consist of recording a telecommunications message and notifying the customer or local authorities of the message.
- Electronic mail services.
- Mechanical or electronic voice messaging and telephone answering services, except ancillary services.

The location where a telecommunications message service takes place is determined by the General Sourcing Rules, as provided in Part 7.C. This will generally result in the location of the sale being where the customer, or someone at the direction of the customer, receives the message.

"Incidental" is defined in Part 11.C.(22) of this publication.

Refer to sec. Tax 11.66, Wis. Adm. Code, "Telecommunication and telecommunications message services," for more information.

(14) Towing and Hauling of Motor Vehicles By a Tow Truck

Towing and hauling of motor vehicles by a tow truck, as defined in sec. 340.01(67n), Wis. Stats., unless at the time of towing or hauling a sale in this state of the motor vehicle to the purchaser would be exempt from sales and use taxes, not including the exempt sale of a motor vehicle to a nonresident under sec. 77.54(5)(a), Wis. Stats., and nontaxable sales described in sec. 77.51(14r), Wis. Stats.

"Tow truck" is defined in sec. 340.01(67n), Wis. Stats., to mean "a motor vehicle that is equipped with mechanical or hydraulic lifting devices or winches capable of, and used for, the recovery or transport or both of wrecked, disabled, abandoned, used or replacement vehicles."

(15) Delivery Charges

When a retailer sells taxable products or services which are subject to tax and the retailer charges the purchaser for the delivery, the retailer's total charge, including the delivery charge, is taxable. It is immaterial whether delivery is made by the seller's vehicle, a common or contract carrier, or the United States Postal Service.

The correct state tax computation to be shown on an invoice when the retailer charges the purchaser for delivery of the product is shown in the following example:

Merchandise	$ 100.00
Delivery Charge	10.00
Subtotal	$ 110.00
Tax ($110 x 5%)	5.50
Total	$ 115.50

When a retailer charges a purchaser for the delivery of nontaxable or exempt product or service, the retailer's total charge, including any delivery charge, is not subject to the sales or use tax.

If a shipment includes both taxable and nontaxable products, the retailer shall determine and set forth on the invoice the portion of the delivery charge reasonably allocable to the taxable products. The portion allocated to nontaxable products is not taxable. If no allocation is made, the total delivery charge is taxable.

A Wisconsin consumer who purchases taxable products or services for use in Wisconsin without tax is subject to the sales or use tax based on the "purchase price." The "purchase price" includes delivery charges paid by the Wisconsin consumer to the supplier for shipment of the product. The "purchase price" does not include delivery charges paid by the Wisconsin consumer directly to the carrier.

Delivery charges for direct mail, including advertising and promotional direct mail* and other direct mail, are not subject to sales or use tax if the delivery charges are separately stated on the invoice, bill of sale, or similar document that the seller gives to the purchaser. See Part 7.D. for additional information about direct mail, including the definition of "direct mail."

*Sales of advertising and promotional direct mail, including delivery charges for advertising and promotional direct mail, are exempt from tax beginning July 1, 2013. See Part 11.C.1.

Refer to sec. Tax 11.94, Wis. Adm. Code, "Delivery charges." Also see pages 31-33 of *Wisconsin Tax Bulletin #111* (October 1998) for more information.

C. Bundled Transactions

A "bundled transaction" is the retail sale of two or more products and services, not including real property and services to real property, if the products are distinct and identifiable and sold for one nonitemized price.*

*Certain exceptions apply. These exceptions are listed in sec. Tax 11.985, Wis. Adm. Code, "Bundled transactions," along with definitions of "distinct and identifiable product" and "one nonitemized price."

The entire sales price of a bundled transaction is subject to Wisconsin sales or use tax, except as follows:

Retailer may identify the nontaxable portion of sales price: When a retailer is able to identify (by reasonable and verifiable standards from the retailer's books and records that are kept in the ordinary course of its business) the portion of the sales price that is attributable to products that are not subject to the tax, the retailer may choose to tax only the portion attributable to the taxable products. **Exception:** This option does not apply to a bundled transaction that contains food and food ingredients, drugs, durable medical equipment, mobility-enhancing equipment, prosthetic devices, or medical supplies.

A "bundled transaction" does not include the following:

(1) The sale of any products and services for which the sales price varies or is negotiable based on the purchaser's selection of the products and services included in the transaction.

In this case, the sales and use tax treatment of the transaction follows the tax treatment of the individual product(s) being sold.

Example: Retailer enters into a contract with Customer to provide various information technology services. Customer selects the information technology services it wants from Retailer. Through negotiation, Retailer and Customer agree on a price based on the services selected and Retailer bills Customer one nonitemized price for all of the services. Since the price was based on the products selected by Customer, the transaction is not a bundled transaction.

(2) The retail sale of a service and taxable product if **all** of the following apply:

- The taxable product is essential to the use of the service.
- The taxable product is provided exclusively in connection with the service.
- The true object of the transaction is the service.

In this case, the sales and use tax treatment of the transaction follows the tax treatment of the service provided.

(3) The retail sale of services, if **both** of the following apply:

- One of the services is essential to the use or receipt of a second service, and is provided exclusively in connection with the second service.
- The true object of the transaction is the second service.

In this case, the sales and use tax treatment of this transaction follows the tax treatment of the second service provided.

(4) A transaction that includes taxable and nontaxable products and services, if the seller's total purchase price or the sales price of the taxable products is no greater than 10% of the seller's total purchase price or sales price of all the bundled products and services. The seller must determine this percentage using either the seller's purchase price or sales price, but not a combination of both, or, in the case of a service contract, the full term of the service contract.

In this case, the transaction is not subject to sales or use tax. However, the first person combining the products and services is required to pay the applicable Wisconsin sales or use tax on its purchase price of the taxable products included in the transaction.

(5) The retail sale of taxable products if **all** of the following apply:

- The transaction includes both taxable and exempt products, but not services.
- The transaction includes food and food ingredients, drugs, durable medical equipment, mobility-enhancing equipment, prosthetic devices, or medical supplies.
- The seller's purchase price or the sales price of the taxable products is no greater than 50% of the seller's total purchase price or sales price of all the products included in what would otherwise be a bundled transaction. The seller must determine this percentage using either the seller's purchase price or sales price, but not a combination of both.

  In this case, the transaction is not subject to sales or use tax. The person combining the products is not required to pay Wisconsin sales or use tax on its purchase price of the taxable products included in the transaction.

(6) A transaction that includes real property or service to real property.

The tax treatment is explained in Part 12.

Bundled Transaction Flowchart
A flowchart to aid in determining whether a transaction is a bundled transaction has been included in Appendix H.

The following example illustrates how to use the Bundled Transaction Flowchart: in Appendix H:

Example: Retailer sells an 8-foot sectional "flag kit" consisting of a two-piece pole with an eagle affixed to the top, a cord, an attaching bracket and screws, and a U.S. flag, all enclosed in a package with a single Universal Product Code (UPC). Retailer A sells the "flag kit" to its customer, without installation, for a single nonitemized price of $50.00. Of the products that make up the "flag kit," the flag is exempt from Wisconsin sales and use tax, and the accessories are taxable.

Flag Kit	Retailer's Purchase Price
Flag	$ 10.00
Pole with eagle	8.00
Cord	1.00
Bracket	1.50
Screws	.50
Total Purchase Price	$ 21.00
Taxable Portion	$ 11.00
Taxable Percentage ($11 ÷ $21)	52.38%

Using the Bundled Transaction Flowchart in Appendix H:

- Does the transaction include the retail sale of 2 or more products? Yes.
- Does the transaction include real property or a service to real property? No.
- Are the products distinct and identifiable? Yes.
- Are the products sold for one nonitemized price? Yes.
- Does the price vary or is the price negotiable based on products selected? No.
- Does the transaction include a service? No.
- Does the transaction include food and food ingredients, drugs, durable medical equipment, mobility-enhancing equipment, prosthetic devices, or medical supplies? No.
- Are the taxable products more than 10% of the total price? Yes.

The transaction is a bundled transaction and Retailer is liable for sales tax on its entire sales price of the flag kit (i.e., $50.00). Retailer may, at its option, collect and remit tax only on the taxable portion of the sale if Retailer can identify by reasonable and verifiable standards from its books and records that are kept in the ordinary course of its business, the portion of the sales price that is attributable to products that are not subject to tax (e.g., selling price of $50.00 x 52.38 = $26.19 subject to tax).

D. Property May Only Be Taxed Once

A sale, license, lease, or rental of a product may be taxed only once under the sales and use tax law, regardless of whether that sale, license, lease, or rental is subject to taxation under more than one imposition provision under the sales and use tax law.

Example 1: Individual brings his clothing to Laundry. Laundry cleans the clothing for Individual for a fee. The provision of laundry service is taxable under sec. 77.52(2)(a)6., Wis. Stats. Additionally, the cleaning of tangible personal property (e.g., clothing) is taxable under sec. 77.52(2)(a)10., Wis. Stats. Although the tax is imposed under two separate provisions of the sales and use tax law, the service may only be taxed once.

Example 2: Individual C purchases a new automobile for $20,000 plus tax. Three years later, Individual C sells the automobile to Individual D. Individual D pays the tax upon registering the automobile with the Department of Transportation. Individual D later sells the automobile to Individual E, who also pays the tax upon registering

the automobile with the Department of Transportation. Tax was correctly paid on each of these separate transactions.

11. WHAT IS EXEMPT?

A. General

The retail sale or purchase of taxable products and services are subject to Wisconsin sales or use tax, unless an exemption applies. The exemptions that may apply depend on:

- Whether the product or service itself is exempt from the tax. (Exemption certificate is not required. Refer to Part B.)
- How the product or service is used or other specific criteria. (Exemption certificate is required. Refer to Part C.)
- Whether the buyer or seller is exempt from the tax. (Refer to Part D.)

Normally, to purchase taxable products or services in Wisconsin without tax, an exemption certificate must be given to the seller as described in Part 9. However, for retail sales of certain property (e.g., exempt food and food ingredients sold by grocery stores), certificates are not required to be given to the seller.

B. Exemptions That Do Not Require Exemption Certificates

Retail sales of the following products and services may be made without sales tax, even though an exemption certificate is not received by the seller. However, if the product or service is not used for the exempt purpose, the purchaser must pay use tax based on the product or service's purchase price.

(1) Aircraft parts and repair (Effective July 1, 2014)

- Charges for the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of any aircraft or any aircraft parts.
- Parts used to modify or repair aircraft.

  Prior to July 1, 2014:

  - The repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of any aircraft was taxable, unless, at the time the service was performed, the purchaser of the service could have purchased the aircraft without tax.
  - Repair parts for any aircraft were taxable unless an exemption applied.

  Note: Sales of aircraft supplies are taxable both before and after July 1, 2014. For example, hydraulic fluid is a taxable aircraft supply. See the article titled "New Sales and Use Tax Exemptions for Aircraft" on the department's website.

(2) Animal Identification Tags

Sales of animal identification tags by the Wisconsin Department of Agriculture, Trade, and Consumer Protection to persons required or authorized to use those identification tags.

(3) Caskets and Burial Vaults

Caskets and burial vaults sold for use in burying human remains. Caskets and burial vaults for animals are taxable.

(4) Copies of Certain Records

Copies of a public record that a person may examine and use under sec. 16.61(12), Wis. Stats., and copies of records under sec. 19.35(1), Wis. Stats.

(5) Diaper Services

Laundry, dry cleaning, pressing, and dyeing services performed on cloth diapers by a diaper service.

"Cloth diaper" means a cloth diaper used for sanitary purposes.

"Diaper service" means a business primarily engaged in the lease or rental, delivery, and laundering of cloth diapers.

(6) Drugs

- Drugs prescribed for the treatment of a human being by a person authorized to prescribe the drugs, and dispensed on prescription filled by a registered pharmacist in accordance with law.
- Drugs furnished by a licensed physician, surgeon, podiatrist, or dentist to a patient who is a human being for treatment of the patient.
- Drugs furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, surgeon, podiatrist, or dentist.
- Drugs sold to a licensed physician, surgeon, podiatrist, dentist, or hospital for the treatment of a human being.
- Drugs furnished for the treatment of a human being by a medical facility or clinic maintained by the State of Wisconsin or any political subdivision or municipal corporation of the State of Wisconsin.
- Drugs furnished without charge to a physician, surgeon, nurse anesthetist, advanced practice nurse, osteopath, dentist who is licensed under ch. 447, Wis. Stats., podiatrist who is licensed under ch. 448, Wis. Stats., or optometrist who is licensed under ch. 449, Wis. Stats., if the drug may not be dispensed without a prescription.

Refer to sec. Tax 11.09, Wis. Adm. Code, "Drugs," and sec. Tax 11.45, Wis. Adm. Code, "Sales by pharmacies and drug stores," for more information.

(7) Durable Medical Equipment, Mobility-enhancing Equipment, and Prosthetic Devices

- *Durable medical equipment* that is for use in a person's home, including repair parts, replacement parts, and accessories for that equipment, if the equipment is used for a human being.

  "Durable medical equipment":

  - Is primarily and customarily used for a medical purpose related to a person;
  - Can withstand repeated use;
  - Is not generally useful to a person who is not ill or injured and
  - Is not placed in or worn on the body.

  "Durable medical equipment" does not include mobility-enhancing equipment.

- *Mobility-enhancing equipment*, including repair parts, replacement parts, and accessories for that equipment, if the equipment is used for a human being.

  "Mobility-enhancing equipment":

  - Is primarily and customarily used to provide or increase the ability of a person to move from one place to another;
  - May be used in a home or motor vehicle; and
  - Is generally not used by a person who has normal mobility.

  "Mobility-enhancing equipment" does not include a motor vehicle or any equipment on a motor vehicle that is generally provided by a motor vehicle manufacturer. "Mobility-enhancing equipment" also does not include durable medical equipment.

- *Prosthetic devices*, including repair parts, replacement parts, and accessories for such devices, if the devices are used for a human being.

  A "prosthetic device" is a replacement, corrective, or supportive device that is placed in or worn on the body:

  - To artificially replace a missing portion of the body;
  - To prevent or correct a physical deformity or malfunction; or
  - To support a weak or deformed portion of the body.

Refer to the following regulations for additional information:

- Section Tax 11.08, "Durable medical equipment, mobility-enhancing equipment, and prosthetic devices"
- Section Tax 11.17, "Hospitals, clinics and medical professions"
- Section Tax 11.18, "Dentists and their suppliers"

(8) Food and Food Ingredients

- Food and food ingredients, except that candy, soft drinks, dietary supplements, and prepared food are taxable.

  Candy is a preparation of sugar, honey, or other natural or artificial sweetener combined with chocolate, fruit, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include a preparation that contains flour or that requires refrigeration.

  Soft drink is a beverage that contains less than 0.5 percent of alcohol and that contains natural or artificial sweeteners. Soft drinks do not include beverages that contain milk or milk products; soy, rice, or similar milk substitutes; or more than 50% vegetable or fruit juice by volume. Soft drinks are beverages that are in liquid form and do not include items that are not in liquid form, such as powdered drink mixes.

  Dietary supplement is a product, other than tobacco, that meets all of the following:

  - Contains a vitamin, mineral, herb, botanical, amino acid or other dietary substance to supplement the diet.
  - Intended for ingestion in tablet, powder, capsule, soft-gel, gel-cap, or liquid form, or, if not in such forms, is not represented as conventional food and is not represented for use as the sole item of a meal or diet.

- Required to be labeled as a dietary supplement (21 C.F.R. 101.36).

Prepared food includes any of the following:

- Food and food ingredients sold in a heated state.
- Food and food ingredients heated by the retailer, except if any of the following apply:
  - Two or more food ingredients are mixed or combined by a retailer for sale as a single item, and the retailer's primary classification in the North American Industry Classification System (NAICS) is manufacturing under subsector 311, but not including bakeries and tortilla manufacturing under industry group number 3118.
  - Bakery items made by a retailer.
  - Two or more food ingredients mixed or combined by a retailer for sale as a single item, sold unheated, and sold by volume or weight.
- Two or more food ingredients mixed or combined by the retailer for sale as a single item, except if any of the following apply:
  - The retailer's primary NAICS classification is manufacturing under subsector 311, but not including bakeries and tortilla manufacturing under industry group number 31182.
  - The item is sold unheated and by volume or weight.
  - The item is a bakery item made by the retailer.
  - The food and food ingredients are only sliced, repackaged, or pasteurized by the retailer.
  - The item contains eggs, fish, meat, or poultry in raw form that requires cooking by the consumer, as recommended by the FDA.

  Exemption, effective September 23, 2017: An exemption applies to sales of prepared food that (1) are sold by the retailer in a frozen state without eating utensils (i.e., plates, bowls, knives, forks, spoons, glasses, cups, napkins, straws), or (2) consist of more than 50% yogurt. The prepared food cannot be candy, a soft drink, or a dietary supplement to qualify for this exemption. In addition, the prepared food must be manufactured by the retailer at a building assessed as manufacturing property under sec. 70.995, Wis. Stats., or would be assessed as manufacturing if located outside Wisconsin. This exemption does not apply if the retailer makes any retail sales of prepared food at the building where the prepared food is manufactured.
- Food and food ingredients sold with eating utensils, such as napkins, plates, forks, straws, etc., that are provided by the retailer if:
  - It is the retailer's customary practice to physically give or hand the utensils to the purchaser, except that plates, bowls, glasses, or cups that are necessary to receive the food or food ingredients need only be made available to the purchaser, or
  - The eating utensils are available to the purchasers and the retailer's sales of certain prepared foods are more than 75% of the retailer's total sales of all food and food ingredients at that establishment.

    Exception: An item sold by the retailer that contains four or more servings packaged as one item and sold for a single price does not become prepared food simply because the retailer makes utensils available to the purchaser of the item, but is prepared food if the retailer physically gives or hands utensils to the purchaser of the item.

  Exemption, effective September 23, 2017: An exemption applies to sales of prepared food that consist of more than 50% yogurt, regardless of whether utensils are provided. The prepared food

cannot be candy, a soft drink, or a dietary supplement to qualify for this exemption. In addition, the prepared food must be manufactured by the retailer at a building assessed as manufacturing property under sec. 70.995, Wis. Stats., or would be assessed as manufacturing if located outside Wisconsin. This exemption does not apply if the retailer makes any retail sales of prepared food at the building where the prepared food is manufactured.

Refer to the following for more information, including how to apply the 75% test: Publication 220, *Grocers - How Do Wisconsin Sales and Use Taxes Affect Your Operations*; sec. Tax 11.51, Wis. Adm. Code, "Grocers' guidelist;" and sec. Tax 11.87, Wis. Adm. Code, "Prepared food, food and food ingredients, and soft drinks."

- A restaurant's purchase of candy, soft drinks, dietary supplements, and prepared foods, and disposable products that are transferred with such items, furnished ***for no consideration*** by a restaurant to the restaurant's employee during the employee's work hours.

  Note: The restaurant's ***sales*** of such items are subject to tax, even if sold to employees during the employee's work hours.

  Caution: This exemption does not apply to the above items consumed by employees of grocery stores, convenience stores, and other businesses that do not operate restaurants.

- Sales of food and food ingredients, except soft drinks, by hospitals, sanatoriums, nursing homes, retirement homes, community-based residential facilities as defined in sec. 50.01(lg), Wis. Stats., and any facility certified or licensed under Chapter 48, Wis. Stats., are exempt. Also exempt are "mobile meals on wheels" sold to the elderly and handicapped.

  Note: This exemption does not apply to alcoholic beverages.

  Facilities certified or licensed under Chapter 48, Wis. Stats., include licensed day care centers, child placement agencies, residential care centers, foster homes, treatment foster homes, group homes, and shelter care facilities.

  Note: The law change that became effective on May 6, 2010 expanded the exemption to include such sales made by all facilities certified or licensed under Chapter 48, Wis. Stats., rather than only day care centers.

  From October 1, 2009 through May 5, 2010, food and food ingredients, except soft drinks, sold by hospitals, sanatoriums, nursing homes, retirement homes, community-based residential facilities, as defined in sec. 50.01(1g), Wis. Stats., and day care centers registered under Chapter 48, Wis. Stats., were exempt from Wisconsin sales and use taxes. These sales continue to be exempt under current law.

  Note: This exemption does not apply to alcoholic beverages.

Refer to sec. Tax 11.87, Wis. Adm. Code, "Prepared food, food and food ingredients, and soft drinks," for more information.

(9) Fuel and Electricity

- Fuel oil, propane, coal, steam, peat, fuel cubes produced from solid waste, or wood used for fuel which is sold for residential use. "Residential use" means use in a structure which is a person's permanent principal residence.
- Electricity and natural gas sold for residential use during the months of November through April.
- Fuel and electricity sold for use in farming, including agriculture, dairy farming, floriculture, and horticulture.

- Biomass sold for fuel for residential use.

Note 1: If fuel or electricity sold to a consumer is for both exempt and non-exempt use, the seller must obtain an exemption certificate to substantiate the exempt sales.

Note 2: Wood residue and wood pellets used as fuel in a business activity may also be exempt. See Part 11.C.(31).

Note 3: See Part 11.C.(9) for information relating to the exemption for fuel and electricity consumed in manufacturing.

(10) Home Exchange Service Sales

Sales by a home exchange service that receives moneys from the appropriation account under sec. 20.485(1)(g), Wis. Stats., and is operated by the Department of Veterans Affairs.

(11) Insurance

The charge for insurance that is separately stated on the invoice given by the seller to the purchaser. "Insurance" does not include contracts as described in Part 10.B.(10) of this publication.

(12) Manufactured Homes

- 35% of the total amount for which a new manufactured home is sold, if the manufactured home is used as a dwelling and is certified by the federal Department of Housing and Urban Development (HUD) as complying with the standards under 42 USC 5401 to 5425.

  No credit is allowed for trade-ins.

  This 35% exemption *only* applies to sales, not to leases and rentals.
- The full amount for which a used mobile home (manufactured before June 15, 1976) is sold, if the home is a primary housing unit as defined under sec. 340.01(29), Wis. Stats.
- The full amount for which a used manufactured home is sold, if the home is used as a dwelling and is certified by the federal Department of Housing and Urban Development (HUD) as complying with the standards under 42 USC 5401 to 5425.
- The sales price from the rental, for a continuous period of one month or more, of a mobile home or a manufactured home that is used as a residence. "One month" means a calendar month or 30 days, whichever is less, counting the first day of the rental and not counting the last day of the rental.
- The sales price from the sales of and the storage, use, or other consumption of a manufactured home that is used in a real property construction activity outside Wisconsin (effective September 1, 2011).

(13) Medical Records

Copies of patient health care records (medical records) that are sold to a patient or to a person authorized by the patient to receive the medical records. Sales of medical records transmitted electronically are also exempt from tax.

(14) Modular Homes

- For a "modular home," as defined in sec. 101.71(6), Wis. Stats. (see definition below), that is tangible personal property when sold, a retailer may claim exemption on one of the following:

Option A: 35% of the sales price.

Option B: An amount equal to the sales price minus the cost of the materials that become an ingredient or component part of the modular home.

No credit is allowed for trade-ins.

Note: Once a retailer chooses Option A or Option B, the retailer must continue to use that option for all subsequent sales of modular homes, that are tangible personal property when sold, until such time as the Department of Revenue approves in writing the use of the other option.

"Modular home" under sec. 101.71(6), Wis. Stats., means any structure or component thereof which is intended for use as a dwelling and:

(a) is of closed construction and fabricated or assembled on-site or off-site in manufacturing facilities for installation, connection, or assembly and installation, at the building site; or

(b) is a building of open construction which is made or assembled in manufacturing facilities away from the building site for installation, connection, or assembly and installation on the building site and for which certification is sought by the manufacturer.

"Modular home" does not mean a manufactured home or mobile home under sec. 101.91, Wis. Stats., or any building of open construction which is not subject to b. above.

Refer to pages 23-28 of *Wisconsin Tax Bulletin #104* (November 1997) for additional information.

- The sales price from the sales of and the storage, use, or other consumption of a modular home that is used in a real property construction activity outside Wisconsin (effective September 1, 2011).

(15) Motor Vehicle and Alternate Fuel

Motor vehicle fuel (gasoline and diesel), alternate fuel (CNG and LPG), or general aviation fuel which is subject to the excise tax under ch. 78, Wis. Stats., except when the excise tax paid under ch. 78, Wis. Stats., is later refunded to the vendor, or to a buyer under sec. 78.75, Wis. Stats., because the buyer does not use the fuel in operating a motor vehicle upon public highways.

(16) Occasional Sales

- Sales of taxable products or services by persons who do not hold and are not required to hold a seller's permit.

  Refer to Parts 15 and 16 of this publication and to Fact Sheet 2110, *Occasional Sales of Business Assets;* secs. Tax 11.33, Wis. Adm. Code, "Occasional sales;" Tax 11.34, Wis. Adm. Code, "Occasional sales exemption for sale of a business or business assets;" and Tax 11.35 Wis. Adm. Code, and "Occasional sales by nonprofit organizations" for more information. Also see pages 30-37 of *Wisconsin Tax Bulletin #122* (October 2000).

- Sales to the seller's spouse, parent, stepparent, father-in-law, mother-in-law, child, stepchild, daughter-in-law, or son-in-law of motor vehicles, boats, snowmobiles, recreational vehicle as defined in sec. 340.01(48r), Wis. Stats., trailers, semi-trailers, all-terrain vehicles, utility terrain vehicles, off-highway motorcycles, or aircraft, but such sales are exempt only if the seller is not engaged in the business of selling this type of property and only if the property has been previously registered or titled in Wisconsin, or in the case of boats, registered or titled under the laws of Wisconsin or the United States, in the name of the seller.

(17) Printed Publications

- Newspapers.
- Periodicals, if sold by subscription and regularly issued at average intervals not exceeding three months.

  Note: All over-the-counter sales of periodicals not made by subscription are taxable.
- Periodicals sold by subscription issued at average intervals not exceeding six months if the seller is an educational association or corporation, as described in Part 11.D.(1), that is exempt from sales or use tax on its purchases.
- Shoppers guides which distribute no less than 48 issues in a 12-month period.
- Controlled circulation publications sold to commercial publishers for distribution without charge.

Refer to sec. Tax 11.19, Wis. Adm. Code, "Printed material exemptions."

(18) Public Benefit Fees (Low-Income Assistance Fees)

The sales price from the collection of public benefit fees (low-income assistance fees) that are charged under sec. 16.957(4)(a) or (5)(a), Wis. Stats.

(19) Standard Samples

Sales of standard samples representing product or commodity grades by the Wisconsin Department of Agriculture, Trade, and Consumer Protection.

(20) Tournament and League Entry Fees Used as Prize Money (Effective December 1, 2017)

The portion of admission fees paid by participants to enter a tournament or league if the fees are advertised and set aside as prize money.

(21) United States and Wisconsin Flags

- The United States flag or the Wisconsin state flag. A flag, for purposes of this exemption, is considered to include the staff to which the flag is permanently mounted when sold by the retailer.

  Example: Retailer sells hand-held U.S. flags permanently mounted with staples to a wood or plastic staff. The sale of the flag (i.e., the fabric and staff to which the fabric is mounted) is exempt from Wisconsin sales or use tax.
- A "flag kit" sold as a single unit, which includes a United States flag or Wisconsin state flag and related accessories, such as a mounting bracket, a flagpole, a cord, and instructions on the display of the flag, *only if the taxable products included in the "flag kit" (i.e., mounting bracket, flagpole, cord, and instructions on the display of the flag) are 10% or less of the seller's purchase price or sales price, but not a combination of both.*

  Note: The sale of the "flag kit" is a "bundled transaction" if the taxable products included in the "flag kit" are more than 10% of the seller's purchase price or sales price, but not a combination of both. The entire sales price of a bundled transaction is subject to tax, with certain exceptions explained in Part 10.C. A Bundled Transaction Flowchart is included in Appendix H. At the end of Part 10.C., an example using a "flag kit" is included to illustrate how to use the Bundled Transaction Flowchart.

This exemption does **not** apply to:

- Flag accessories, except as described above.

  Example 1: Retailer sells an 8-foot sectional flagpole. The sale of the flagpole is not exempt from Wisconsin sales or use tax under sec. 77.54(46), Wis. Stats.

  Example 2: Retailer sells 40-foot sectional flagpoles, hardware for flags, U.S. flags, and Wisconsin state flags. All are for sale individually. The sale of the flagpoles and hardware are taxable, even if Retailer sells these items in a single transaction along with the sale of a U.S. flag or a Wisconsin state flag.

- A representation of the United States flag or Wisconsin state flag (e.g., stickers, magnets, lapel pins, photographs, and clothing).

(22) United States Government (Sales By)

Sales by the United States government or any of its agencies or instrumentalities.

(23) Water Delivered Through Mains

Utilities, governmental agencies, and others delivering water to consumers through mains.

C. Exemptions That Require Exemption Certificates

A seller will be subject to sales tax on the sales price from the sale of the following products unless a fully completed exemption certificate is received from the purchaser prior to the sale or no later than 90 days after the sale.

Note: If a seller does not obtain an exemption certificate prior to the sale or within 90 days after the date of the sale, the seller may, within 120 days after it is requested by the department to substantiate a claimed exemption, either obtain, in "good faith," a fully completed exemption certificate from the purchaser or by some other means provide proof that the transaction was not subject to Wisconsin sales or use tax. If a seller cannot prove that a transaction was exempt by one of these methods, the seller is not relieved from liability for the tax, interest, or penalties.

A seller accepts an exemption certificate in "good faith" if all of the following apply:

- The exemption claimed was authorized by law on the date of the transaction in the jurisdiction where the sale takes place (i.e., is sourced).
- The exemption could apply to the product or service being purchased.
- The exemption being claimed is reasonable for the purchaser's type of business.

See Appendices E and F for a copy of the following exemption certificates:

- Form S-211, *Wisconsin Sales and Use Tax Exemption Certificate*
- Form S-211-SST, *Streamlined Sales and Use Tax Exemption Certificate*

An electronic exemption certificate (S-211E) that can be customized by the user is also available on the department's website.

Caution: It is common for a purchaser to buy a product without tax (e.g., purchasing a product without tax for resale by presenting the vendor with a fully completed exemption certificate) and then later use that item in a taxable manner. When a taxable use is made of such a product, use tax is owed based on the original purchase price of the product.

Example: Computer Store buys and sells computers. A laptop computer was purchased without tax for resale for $550. Computer Store later took the laptop out of inventory and gave it away as a promotional item (i.e., taxable use). The fair market value of the laptop at the time that the first taxable use occurred was $300. Computer Store's use tax liability is based on its purchase price of $550.

(1) Advertising and Promotional Direct Mail (Effective July 1, 2013)

Advertising and promotional direct mail. "Advertising and promotional direct mail" means direct mail that has the primary purpose of attracting public attention to a product, person, business, or organization or to attempt to sell, popularize, or secure financial support for a product, person, business, or organization.

"Direct mail" means printed material that is delivered or distributed by the U.S. Postal Service or other delivery service to a mass audience or to addressees on a mailing list provided by or at the direction of the purchaser of the printed material, if the cost of the printed material or any taxable product included with the printed material is not billed directly to the recipients of the printed material. "Direct mail" includes any taxable product provided directly or indirectly by the purchaser of the printed material to the seller of the printed material for inclusion in any package containing the printed material, including billing invoices, return envelopes, and additional marketing materials. "Direct mail" does not include multiple items of printed material delivered to a single address.

Example 1: Company, located in Wisconsin, contracts with Printer to have 10,000 advertising flyers printed. The flyers are designed to promote Company's products. Once Printer finishes printing the advertising flyers, Printer mails the flyers to the addresses on a mailing list provided by Company. The addresses are in and outside Wisconsin. The charge by Printer to Company is exempt from Wisconsin sales and use tax since the advertising flyers are advertising and promotional direct mail.

Example 2: Same as Example 1, except the flyers are sent by Printer to Company, the purchaser, and Company mails the flyers to the addresses on the mailing list. The flyers are not advertising and promotional direct mail because the seller (i.e., Printer) is not delivering the flyers to a mass audience or to addresses on a mailing list at the direction of the purchaser (i.e., Company).

See the exemptions for "Catalogs and their Mailing Envelopes" and "Printed Advertising Materials" for related exemptions (in Part 11.C.(4) and (21), respectively).

(2) Affiliated Businesses - Certain Sales By

If the seller and the purchaser are members of the same affiliated group under sec. 1504 of the Internal Revenue Code and are eligible to file a single consolidated return for federal income tax purposes, an exemption applies for sales of the following:

- Taxable services.
- Taxable products that are physically transferred to the purchaser as a necessary part of one of the following services:
  - Photographic services taxed under sec. 77.52(2)(a)7, Wis. Stats.
  - Repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance of products taxed under sec. 77.52(2)(a)10., Wis. Stats.
  - Producing, fabricating, processing, printing, or imprinting of products taxed under sec. 77.52(2)(a)11., Wis. Stats.
  - Landscaping and lawn maintenance services taxed under sec. 77.52(2)(a)20., Wis. Stats.

If a seller purchases a taxable product or service that is subsequently sold to a member of the seller's affiliated group and the sale is exempt as described above, the original purchase of the taxable product or service by the seller is not considered a sale for resale or exempt, as described above, and the seller must pay the applicable tax on its purchase.

(3) Carriers of Property or Passengers

- Buses, motor trucks, truck tractors, road tractors, trailers, and semitrailers (and accessories, attachments, supplies, parts, and repair services therefor) sold to persons who use the vehicles *exclusively* as common or contract carriers.

  Refer to sec. Tax 11.16, Wis. Adm. Code, "Common or contract carriers." Also see the tax release titled "Common and Contract Carrier Exemption," that was published in *Wisconsin Tax Bulletin* #186 (October 2014).

- Railway rolling stock used in railroad operations and accessories, attachments, parts, and fuel for the railway rolling stock.

  Refer to sec. Tax 11.16, Wis. Adm. Code.

- Commercial vessels and barges of 50-ton burden or over *primarily* engaged in interstate commerce or commercial fishing.

  Refer to sec. Tax 11.16, Wis. Adm. Code, and sec. Tax 11.85, Wis. Adm. Code, "Boats, vessels and barges."

- Aircraft, and accessories, attachments, and fuel for aircraft, sold to persons who use the aircraft as certified or licensed carriers of persons or property in interstate or foreign commerce.

  Refer to sec. Tax 11.84, Wis. Adm. Code, "Aircraft."

- All types of tangible personal property; or items or property described in Part 10.A.2. and 3.; sold to a common or contract carrier and shipped by the seller via the purchasing carrier under a bill of lading to a point outside Wisconsin for use outside Wisconsin by the carrier in the conduct of its business.

Note: Charges for motor vehicle parking are taxable, even if the parking is for an exempt motor vehicle or aircraft (e.g., the purchase of the motor vehicle was exempt from tax because it is only used in common or contract carriage).

(4) Catalogs and Their Mailing Envelopes

Catalogs, and the envelopes in which the catalogs are mailed, that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms. "Catalog" means a printed and bound, stitched, sewed, or stapled book containing a list and description of property or services for sale, regardless of whether a price is specified.

Printed materials that are not bound, stitched, sewed or stapled, do not meet the definition of a "catalog." For example, an advertising pamphlet that is printed on a single sheet of paper and simply folded one or more times without being bound, stitched, sewed or stapled, does not meet the definition of a "catalog," and the exemption does not apply.

See the exemption for "Advertising and Promotional Direct Mail" and "Printed Advertising Materials" for related exemptions (in Part 11.C.(1) and (21), respectively).

(5) Clay Pigeons, Live Game Birds, and Farm-Raised Deer, and Farm-Raised Fish

- Clay pigeons and live game birds sold to bird hunting preserves that are licensed under sec. 169.19, Wis. Stats.
- Clay pigeons that are sold to a shooting facility, if any of the following applies:
  - The shooting facility is required to pay the tax imposed under sec. 77.52, Wis. Stats., on the sales price from charges for shooting at the facility.
  - The shooting facility is a nonprofit organization that charges for shooting at the facility, but is not required to pay the tax imposed under sec. 77.52, Wis. Stats., on its sales price from such charges because the charges are for occasional sales, as provided under sec. 77.54(7m), Wis. Stats.
- Clay pigeons that are sold to a nonprofit gun club that charges for shooting at the facility, if the charges for shooting at the facility qualify for exemption because the gun club is a nonprofit organization that provides safety classes to at least 25 individuals in the calendar year.
- Farm-raised deer sold to a person who is operating a hunting preserve or game farm in Wisconsin (effective January 1, 2016).

  "Farm-raised deer" means a cervid that is kept in captivity or a cervid that is present in the wild and that has an ear tag or other mark identifying it as being raised on a farm.
- Effective September 23, 2017, sales of farm-raised fish sold to either of the following:
  - A fish farm that is registered with the Department of Agriculture, Trade and Consumer Protection (DATCP) under sec. 95.60(3m), Wis. Stats., or
  - A person who holds a valid permit under sec. 29.736, Wis. Stats., for the stocking of fish.

  "Farm-raised fish" is defined in sec. 95.001(1)(ah), Wis. Stats., to mean any fish egg that is present on a fish farm or any fish that is reared on a fish farm.

  "Fish farm" is defined in sec. 95.001(1)(aj), Wis. Stats., to mean a facility at which a person hatches fish eggs or rears fish for the purpose of introduction into the waters of the state, human or animal consumption, permitting fishing, use as bait or fertilizer or any other purpose specified by the department by rule or for sale to another person to rear for one of those purposes.

(6) Digital Goods When Tangible Form Exempt

Specified digital goods or additional digital goods, if the sale of and the storage, use, or other consumption of such goods sold in a tangible form is exempt from, or not subject to, sales or use tax. See Part 10.A.(4) for additional information about digital goods.

(7) Disaster Relief Services (Effective January 1, 2017)

Service provided by an electric cooperative to another electric cooperative, or by a telecommunications utility to another telecommunications utility, for disaster relief work performed during a disaster period.

- "Disaster period" means the time that begins 10 days before a state of emergency and ends 60 days after the state of emergency ends.
- "Disaster relief work" means work, including repairing, renovating, installing, building, or performing other services or activities, relating to infrastructure in Wisconsin that has been damaged, impaired, or destroyed in connection with a state of emergency.

- "Electric cooperative" means a cooperative association organized under ch. 185, Wis. Stats., that carries on the business of generating, transmitting or distributing electric energy to its members at wholesale or retail.
- "State of emergency" means the time when an electric cooperative wishing to receive services from another electric cooperative or a telecommunications utility wishing to receive services from another telecommunications utility invokes a mutual aid agreement and at least 20 percent of the electrical or telecommunications system is nonoperational.
- "Telecommunications utility" means any person, corporation, company, cooperative, unincorporated cooperative association, partnership, association and lessees, trustees or receivers appointed by any court that owns, operates, manages or controls any plant or equipment used to furnish telecommunications services within the state directly or indirectly to the public. "Telecommunications utility" does not include a telecommunications carrier.

(8) Farm Products

Tangible personal property; and items and property described in Part 10.A.(2)and (3); as explained below, sold to persons engaged in "farming." Farming includes agriculture, horticulture, silviculture, or floriculture when engaged in as a business enterprise. Farming also includes beekeeping, effective December 1, 2017. Prior to December 1, 2017, "farming" was defined by rule to include raising of bees and producing honey products by a beekeeper of 50 or more hives.

- Tractors and machines, including accessories, attachments, and parts for such tractors and machines, lubricants, nonpowered equipment, and other tangible personal property that are used exclusively and directly, or are consumed or lose their identities, in the business of farming

  This exemption does not include:

  - Automobiles, trucks, and other motor vehicles for highway use,
  - Personal property that is attached to, fastened to, connected to, or built into real property or that becomes an addition to, component of, or capital improvement of real property, or
  - Tangible personal property; and items and property described in Part 10.A.(2). and (3).; used or consumed in the erection of buildings or in the alteration, repair, or improvement of real property, regardless of any contribution that the personal property item, or property makes to the production process in that building or real property and regardless of the extent to which that personal property, item, or property functions as a machine.

  For purposes of this sales and use tax exemption, the following items retain their character as tangible personal property, regardless of the extent to which they are fastened to, connected to, or built into real property:

  - Auxiliary power generators
  - Bale loaders
  - Barn cleaners and elevators
  - Conveyors
  - Feed elevators and augers
  - Grain dryers and grinders
  - Irrigation implements
  - Milk coolers
  - Milking machines; including piping, pipeline washers, and compressors

  - Powered feeders, but not including platforms or troughs constructed from ordinary building materials
  - Silo unloaders (top and bottom)
- Animal bedding and farm livestock medicine
- The following property used exclusively in the business of farming: seeds for planting, plants, feed, fertilizer, soil conditioners, sprays, pesticides, fungicides, baling twine and baling wire, breeding and other livestock, poultry, farm work stock, containers for fruits, vegetables, grain, hay, silage, and animal wastes, and plastic bags, plastic sleeves, and plastic sheeting used to store and cover hay or silage.
- Electricity and fuel used in farming. See Part 11.B.(9)

For purposes of the sales and use tax exemption for farming, the following definitions apply:

"Beekeeping" means the business of moving, raising, producing, and other management of bees or bee products, regardless of the number of hives of bees managed.

"Building" means any structure that is intended to be a permanent accession to real property; that is designed or used for sheltering people, animals, or plants, for storing property or for working, office, parking, sales, or display space, regardless of any contribution that the structure makes to the production process in it; that in physical appearance is annexed to that real property; that, except for a few structures, is covered by a roof or encloses space; that is not readily moved or disassembled; and that is commonly known to be a building because of its appearance and because of the materials of which it is constructed.

"Machine" means an assemblage of parts that transmit force, motion, and energy from one part to another in a predetermined manner.

"Silviculture" is the business of raising trees for timber, lumber or other wood products. "Silviculture" includes the logging of timber when it is performed by a person engaged in the business of silviculture and the logging is conducted with respect to that person's silviculture activity. "Silviculture" does not include pulp or sawmill operations. See the tax release titled "Sales and Use Tax Exemption for Silviculture" on pages 19-31 of Wisconsin Tax Bulletin #152 (July 2007).

"Used exclusively" means used to the exclusion of all other uses except for other uses not exceeding 5% of total use.

Refer to sec. Tax 11.12, Wis. Adm. Code, "Farming, including dairy farming, agriculture, horticulture, floriculture, silviculture, and custom farming services," and Publication 221, *Farmers and Farm Suppliers*, for more information.

(9) Fertilizer Blending, Feed Milling, and Grain Drying Operations (Effective April 19, 2014)

- Machines and specific processing equipment used exclusively and directly in a fertilizer blending, feed milling, or grain drying operation, including holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer, wet corn holding bins, grain dryers, mixers, conveying equipment, and grinding, mixing, and saturation bins, regardless of whether such items become an addition to, a component of, or a capital improvement of real property. The exemption includes repair parts, replacements, and safety attachments for such machines and equipment.
- Building materials acquired solely for and used solely in the construction or repair of holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer or for storage of grain, if such structures are used in a fertilizer blending, feed milling, or grain drying operation.

  Caution: These exemptions apply only to:

- Items located on the same parcel of property where the fertilizer blending, feed milling, or grain drying operation activities are conducted, or on an adjoining parcel, including parcels that are separated only by a public road, and
- Persons who are primarily engaged in fertilizer blending, feed milling, or grain handling operations which include grain drying operations, or primarily engaged in any combination of fertilizer blending, feed milling, or grain handling operations which include grain drying operations, and to contractors providing real property construction activities to such persons.

(10) Fire Fighting Equipment

Fire trucks and firefighting equipment including accessories, attachments, parts, and supplies for the trucks and equipment sold to a volunteer fire department.

(11) Fuel and Electricity Consumed in Manufacturing Tangible Personal Property; and Items and Property Described in Part 10.A.(2) and (3); in Wisconsin

Fuel and electricity "consumed in manufacturing" means fuel and electricity used to operate machines and equipment used directly in the step-by-step manufacturing process. Fuel and electricity are not "consumed in manufacturing" if they are used in providing plant heating, cooling, air conditioning, communications, lighting, safety and fire prevention, research and product development, receiving, storage, sales, distribution, warehousing, shipping, advertising, or administrative department activities. However, fuel and electricity used directly in manufacturing steam which is used by the manufacturer in further manufacturing or in heating a facility, or both, is "consumed in manufacturing."

For additional information about the exemption for fuel and electricity used in manufacturing, see the Exemption for Fuel and Electricity Consumed in Manufacturing Common Questions on the Department of Revenue's website.

(12) Fuel Sold for Use in Charter Fishing Boats

Fuel sold for use in motorboats that are regularly employed in carrying persons for hire for sport fishing in and upon the outlying waters, as defined in sec. 29.001(63), Wis. Stats., and the rivers and tributaries specified in sec. 29.2285(2)(a)1. and 2., Wis. Stats., if the owner and all operators are licensed under sec. 29.514, Wis. Stats., to operate the boat for that purpose.

"Outlying waters," as defined in sec. 29.001(63), Wis. Stats., means Lake Superior, Lake Michigan, Green Bay, Sturgeon Bay, Sawyer's Harbor and the Fox River from its mouth up to the dam at De Pere.

"Rivers and tributaries" specified in sec. 29.2285(2)(a)1. and 2., Wis. Stats., include any river or stream tributary of Lake Michigan or Green Bay from its mouth upstream to the first dam or lake and any other river or stream tributary of Lake Michigan or Green Bay that is designated by the department.

Section 29.514, Wis. Stats., details the requirement for obtaining and holding an outlying water sport trolling license. No person may be engaged or be employed for any compensation to guide any other person in sport trolling for trout or salmon in and upon the outlying waters unless the person is issued a sport trolling license by the Department of Natural Resources.

(13) Heavy Logging Equipment

Off-highway heavy mechanical equipment such as feller bunchers, slashers, delimbers, chippers, hydraulic loaders, loaders, skidder-forwarders, skidders, timber wagons, and tractors used *exclusively* and *directly* in the harvesting or processing of raw timber products in the field by a person in the logging business. "Heavy mechanical equipment" does not include hand tools such as axes, chains, chain saws, and wedges.

(14) Diabetes Supplies

Supplies used to determine blood sugar level sold to the ultimate consumer.

Note: Apparatus or equipment used for the injection of insulin or the treatment of diabetes may be exempt as durable medical equipment. See Part 11.B.(7).

(15) Manufacturing Machinery, Equipment, and Materials

- Machines and specific processing equipment and repair parts or replacements and safety attachments for such machines and equipment which are *exclusively* and *directly* used by a manufacturer in manufacturing tangible personal property; or items or property described in Part 10.A.(2) and (3).
- Tangible personal property; or an item described in Part 10.A.(2); which is used exclusively and directly by a manufacturer in manufacturing an article of tangible personal property; or an item or property described in Part 10.A.(2) and (3); if either of the following apply:
  - It becomes an ingredient or component part of the article of tangible personal property; or item or property described in Part 10.A.(2) and (3); that is destined for sale.
  - It is consumed, destroyed, or loses its identity in manufacturing the article of tangible personal property; or item or property described in Part 10.A.(2) and (3); that is destined for sale. See Part 11.C.(9) for information relating to the exemption for fuel and electricity consumed in manufacturing.

  Note: Creating a digital good does not meet the definition of "manufacturing" (i.e., for Wisconsin sales and use tax purposes, you cannot *manufacture* a digital good).
- Sales of tangible personal property (e.g., paper) or services (e.g., printing) that are used exclusively and directly and that become an ingredient or component of, or that are consumed or lose their identity in, the manufacture of shoppers guides, newspapers, or periodicals. The exemption applies whether the shoppers guides, newspapers, or periodicals are sold or transferred without charge to the recipient.

  Refer to Part 14 for additional information about manufacturers and the exemptions for persons engaged in manufacturing.

(16) Manufacturing and Biotechnology (Effective January 1, 2012)

Effective January 1, 2012, exemptions were created for certain machinery, equipment, and consumables sold to persons who were engaged primarily in manufacturing or biotechnology in Wisconsin, if such machinery, equipment, and consumables were used exclusively and directly in qualified research.

These exemptions were amended, effective July 2, 2013. As amended, a sales and use tax exemption applies for (a) machinery and equipment, including attachments, parts, and accessories, and (b) other tangible personal property or items, or property under sec. 77.52(1)(b) or (c), Wis. Stats., consumed or destroyed or losing their identities, if that machinery, equipment, or tangible personal property is used exclusively and directly in qualified research and is sold to any of the following:

- A person engaged in manufacturing in Wisconsin at a building assessed under sec. 70.995, Wis. Stats.
- A person primarily engaged in biotechnology in Wisconsin.
- A combined group member who is conducting qualified research for another combined group member and that other combined group member is a person described above.

See Part 14.E. for information about which sales and purchases were exempt from January 1, 2012 through July 1, 2013.

Machines and specific processing equipment used exclusively and directly in raising animals may also qualify for exemption when sold primarily to a biotechnology business, a public or private institution of higher education, or a governmental unit for exclusive and direct use by any such entity in qualified research or manufacturing.

Refer to Part 14.E. for more specific information about the biotechnology exemptions available.

(17) Maple Syrup Equipment

Equipment sold for use in the production of maple syrup.

(18) Motion Pictures

Motion picture film or tape, and motion pictures or radio or television programs for listening, viewing, or broadcasts, and advertising material related to such film or tape or programs, which are sold, leased, or rented to a motion picture theater or to a radio or television station.

(19) Music Sold in Jukeboxes (Effective June 1, 2016)

Music sold in a tangible form to a person in the business of providing a taxable service through a jukebox is exempt from tax if the music is used exclusively in the jukebox. When music is sold with a jukebox, the music is a separate sale (and exempt) from the jukebox if the sales prices of the music is separately indicated from the sales price of the jukebox on the invoice or bill of sale that the seller gives to the purchaser.

Music sold as a digital good that is transferred electronically to a person in the business of providing a taxable service through a jukebox is also exempt from tax if the music is used exclusively for the jukebox.

(20) Packaging and Shipping Materials

- Containers, labels, sacks, cans, boxes, drums, bags, or other packaging and shipping materials sold for use in packing, packaging, or shipping tangible personal property; or items or property described in Part 10.A.(2) and (3); if used by the purchaser to transfer merchandise to customers.
- Meat casing, wrapping paper, tape, containers, labels, sacks, cans, boxes, drums, bags, or other packaging and shipping materials sold for use in packing, packaging, or shipping meat or meat products, regardless of whether used to transfer merchandise to customers.

(21) Printed Advertising Materials

Printed advertising materials, including catalogs and their envelopes, purchased and stored for the purpose of subsequently transporting them outside Wisconsin by the purchaser for use solely outside Wisconsin.

See the following for related exemptions:

- "Catalogs and Their Mailing Envelopes" - Part 11.C.(4)
- "Advertising and Promotional Direct Mail" - Part 11.C.(1)

(22) Printing Exemptions (Effective October 1, 2013)

Purchases of the following by a person primarily engaged in, as determined by the Department of Revenue: (a) commercial printing as described under code 323111 of the North American Industry Classification System (NAICS); (b) book printing as described under code 323117 of the NAICS; or (c) support activities for printing as described under code 323120 of the NAICS:

- Computers and servers used primarily to store copies of the product that are sent to a digital printer, a plate-making machine, or a printing press or are used primarily in prepress or postpress activities.
  - "Primarily" means more than 50%.
  - "Prepress activities" include making print-ready plates, typesetting, trade binding, and sample mounting.
  - "Postpress activities" include paper bronzing, die-cutting, edging, embossing, folding, gilding, gluing, and indexing.
- Tangible personal property purchased from out-of-state sellers that is temporarily stored, remains idle, and is not used in Wisconsin and that is then delivered and used solely outside Wisconsin. "Temporarily" means not more than 180 days.

(23) Prizes for Amusement Devices (Effective December 1, 2017)

Tangible personal property sold to a person who provides a taxable service through an amusement device if the property is used exclusively as a prize awarded or transferred through the use of the amusement device. Prior to December 1, 2017, the amusement device operator may purchase prizes awarded to customers through the use of amusement devices without tax for resale.

An amusement device operator is the consumer of tangible personal property that is used to play the amusement devices but not awarded as a prize through the use of the amusement device. Therefore, the amusement device operator is required to pay Wisconsin sales or use tax on its purchase of such property (e.g., paper tickets dispensed from the amusement device and redeemed for prizes, tokens used to play the amusement device).

(24) Radio and Television Broadcasting Equipment (Effective July 1, 2014)

Tangible personal property that is sold to a person who is licensed to operate a commercial radio or television station in Wisconsin, if the property is used exclusively and directly in, or is fuel or electricity consumed in, the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement. This exemption applies to vehicles licensed for highway use and equipment used to transmit or receive signals from a satellite.

For additional information, see Part 4.G. of Publication 247, *Commercial Radio and Television Stations*.

(25) Raw Materials for Printed Materials

Raw materials used for the processing, fabricating, or manufacturing of, or the attaching to or incorporating into, printed materials that are transported and used solely outside Wisconsin, even if the printed materials are not sold.

(26) Purchases for Resale

Caution: If a person purchases a taxable product or service for resale and makes any use of the product or service other than retention, demonstration, or display while holding the product for sale, lease, or rental in the regular course of the purchaser's operations, this exemption does not apply.

(a) A taxable product or a service, sold to a person who will resell it.

Example: A retailer purchases property from a wholesaler or from another retailer and the retailer intends to resell the property to consumers.

(b) A taxable product physically transferred, or transferred electronically, by a service provider to a customer in conjunction with the selling, performing, or furnishing of the following taxable services is considered to be resold by the service provider:

- Photographic services (sec. 77.52(2)(a)7., Wis. Stats.)
- Repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of a taxable product (sec. 77.52 (2)(a)10., Wis. Stats.)
- Producing, fabricating, processing, printing, or imprinting of taxable product (sec. 77.52(2)(a)11., Wis. Stats.)
- Landscaping and lawn maintenance services (sec. 77.52(2)(a)20., Wis. Stats.)

Examples of services in which the service provider may purchase the property, item, or good transferred without tax for resale follow:

Example 1: A company repairs a furnace for an individual for $50, which includes the replacement of a furnace part. The company may purchase the furnace part tax-free by giving an exemption certificate claiming resale to the seller of the part because the part is physically transferred to the customer.

Example 2: A photographer purchases mounts, frames, and paper for use in finishing photographs which are transferred to customers. Such mounts, frames, and paper may be purchased without tax for resale by the photographer.

Example 3: A person who delivers and installs sod for a customer is providing a taxable landscaping service. This person may purchase the sod without tax for resale.

(c) A taxable product which is sold to a service provider who physically transfers, or electronically transfers the product, to a customer in conjunction with the selling, performing, or furnishing of nontaxable services or taxable services not listed in 18.b., is considered to be resold by the service provider if the property, item, or good transferred to the customer is not incidental to the selling, performing, or furnishing of the service.

"Incidental" means depending upon or appertaining to something else as primary; something necessary, appertaining to, or depending upon another which is termed the principal; or something incidental to the main purpose of the service.

A taxable product transferred by a service provider is incidental to the service if the purchaser's main purpose or objective is to obtain the service rather than the taxable product, even though the taxable product may be necessary or essential to providing the service. Also see "Bundled Transactions," in Part 10.C.

The "incidental" test does *not* apply to contractors. Contractors should refer to Part 12. for information about their purchases.

Note 1: A taxable product which is sold to a service provider who transfers the property, item, or good to the customer in conjunction with the selling, performing, or furnishing of nontaxable services or taxable services not listed in Part 11.C.22.b., is subject to sales and use tax if the transfer of the product is incidental to providing the service.

Note 2: Tangible personal property that is purchased to sell in a different format, such as a digital good, may not be purchased without tax for resale. The purchaser is the consumer of the tangible personal property and is liable for sales or use tax on its purchase of the tangible personal property.

Example: Company purchases a stock photograph that it receives on a disk. Company uploads the image of the stock photograph to its website and sells digital reproductions of the stock photograph to its customers. Company's purchase of the stock photograph on a disk is subject to Wisconsin sales or use tax.

Following are examples of taxable product transfers that are incidental to the service and, therefore, the service provider must pay the tax upon the purchase of the product:

Example 1: The operator of a motel or hotel is subject to tax on its purchases of beds, dressers, tables, linens, soap, and other items purchased for use in rooms provided to transients since the customers' main purpose is to obtain access to the room.

Example 2: A lawyer purchases paper which it uses to prepare legal documents that are provided to its customers. The purchase of the paper by the lawyer is subject to the tax since the customers' main purpose is to obtain the legal service.

Example 3: A baseball team purchases tickets to admit its customers to games and promotional items to be given to certain ticketholders for specific games. The tax applies to these purchases of tickets and promotional items because the ticketholders' main purpose is to attend the ball game.

Example 4: A person providing accounting services transfers documents, reports, forms, and binders to its clients in the course of setting up an accounting system for the clients. Purchases of paper, forms, and binders by the service provider are taxable since the clients' main purpose is to obtain the accounting service.

Example 5: An engineer's purchase of specialized paper, which is used to create drawings transferred to customers, is subject to the tax because the customers' main purpose is to obtain the engineer's design services.

Example 6: A physician purchases tape which is used in providing medical service. Such tape purchases are subject to the tax because the patients' main purpose is to obtain the medical service.

Example 7: A mover's purchases of corrugated boxes, containers, and related packing materials used in providing household goods moving services are subject to the tax because the customers' main purpose is to obtain the moving service.

(27) Semen

Semen used in the artificial insemination of livestock.

(28) Snowmaking and Snow-Grooming Machines and Equipment (Effective July 1, 2013)

Snowmaking and snow-grooming machines and equipment, including accessories, attachments, and parts for the machines and equipment and the fuel and electricity used to operate such machines and

equipment, that are used exclusively and directly for snowmaking and snow grooming at ski hills, ski slopes, and ski trails.

(29) Snowmobile Trail Groomers

Snowmobile trail groomers and attachments that are purchased, stored, used, or consumed by a snowmobile club that (a) meets at least three times a year, (b) has at least ten members, (c) promotes snowmobiling, and (d) participates in the Department of Natural Resources snowmobile program under sec. 350.12(4)(b), Wis. Stats.

(30) State Veterans Organizations (Effective July 1, 2018)

Sales of property and services sold to a state veterans organization, as defined in sec. 45.41(1)(b), Wis. Stats. The exemption does not include property and services used primarily in preparing, storing, serving, selling, or delivering food and beverages, that are sold by the veterans organization. Additionally, products and services for cleaning machinery and equipment used for the food and beverages sales are not exempt.

Note: The state veterans organization should not apply for a Certificate of Exempt Status (CES) number.

(31) Utilities' Fuel

Fuel sold to utilities for conversion to electric energy, gas, or steam by the utility, and the portion of fuel converted to steam for purposes of resale by persons other than utilities.

(32) Vegetable Oil or Animal Fat Converted to Motor Vehicle Fuel (Effective September 1, 2011)

Vegetable oil or animal fat that is converted into motor vehicle fuel that is exempt from motor vehicles fuel taxes under sec. 78.01(2n), Wis. Stats.

(33) Video and Electronic Games Sold to Amusement Device Operators (Effective December 1, 2017)

A video or electronic game sold to a person who provides a taxable service through an amusement device if the video or electronic game is used exclusively for the amusement device. A video or electronic game sold as a digital good that is transferred electronically to a person in the business of providing a taxable service through an amusement device is also exempt if the video or electronic game is used exclusively for the amusement device.

The sale of the amusement device that holds the video or electronic game is subject to Wisconsin sales or use tax. The video or electronic game is exempt as a separate sale from the amusement device through which the game is played if the sales price of the video or electronic game is separately stated on the invoice, bill of sale, or similar document that the seller gives to the amusement device operator.

(34) Waste Treatment Facilities

A sales and use tax exemption applies for the following:

- A taxable product becoming a component part of an *industrial* waste treatment facility that is exempt from Wisconsin property tax. (See Note.) Department of Revenue approval is *not* required.

- A taxable product becoming a component part of the treatment plant of a *utility* waste treatment facility approved by the Department of Revenue as exempt from property tax. Requests for approvals should be sent to the Bureau of Utility Tax, 2135 Rim rock Rd., Mail Stop 6-97, P.O. Box 8971, Madison, WI 53708-8971.
- A taxable product becoming a component part of a *Wisconsin governmental unit* waste treatment facility. (See Note.) Department of Revenue approval of Wisconsin governmental waste treatment facilities is *not* required.
- Replacement parts and chemicals and supplies (including fuel and electricity) used or consumed in operating a governmental unit, approved utility, or industrial waste treatment facility.

Note: The property tax exemption applies to all property and items purchased or constructed as a qualifying utility or industrial waste treatment facility ***used exclusively and directly*** to remove, store, or cause a physical or chemical change in industrial waste or air contaminants for the purpose of abating or eliminating pollution of surface waters, the air, or waters of the state if that property is not used to grow agricultural products for sale and, if the property's owner is taxed under Chapter 76, if the property is approved by the Department of Revenue.

The exemption is explained in detail on pages 33-34 of *Wisconsin Tax Bulletin* #154 (December 2007).

Contractors should give their suppliers an exemption certificate (e.g., Form S-211, S-211E, Form S-211-SST) claiming this exemption.

More information is contained in sec. Tax 11.11, Wis. Adm. Code, "Utility, industrial and governmental waste treatment facilities."

(35) Waste Reduction or Recycling

Waste reduction or recycling machinery and equipment, including parts therefore, *exclusively* and *directly* used for waste reduction or recycling activities, and motor vehicles not required to be licensed for highway use which are used in such activities. Equipment used to remove impurities from lubricating oil used in manufacturing machines and equipment used to produce fuel cubes from shredded paper qualify for this exemption.

Note: Dumpsters, compactors, and other collection containers do not qualify for this exemption.

For additional information, see pages 30-36 of *Wisconsin Tax Bulletin* #123 (January 2001).

(36) Wind, Solar, and Gas from Anaerobic Digestions of Agricultural Waste (effective July 1, 2011)

- Products whose power source is wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units per day, except that this exemption does not apply to an uninterruptible power source that is designed primarily for computers.
- Electricity or energy produced by a product described in the paragraph above, except for the sale of electricity or energy that is exempt from taxation under sec. 77.54(30), Wis. Stats.

Additional information is available in sec. Tax 11.10, Wis. Adm. Code, "Wind, Solar, and Certain Gas-Powered Products' Exemption."

(37) Wood Residue

Wood residue that is used as a fuel in a business activity and that results from the harvesting of timber or the production of wood products, including slash, sawdust, shavings, edgings, slabs, leaves, wood chips, and bark. Also, wood pellets manufactured primarily from wood or wood residue and used as a fuel in a business activity are exempt.

D. Exempt Organizations

Certain organizations, described below, are exempt from Wisconsin sales and use taxes on their *purchases*. However, most *sales by* these organizations of taxable property and services are subject to sales tax unless the occasional sale exemption applies (see Part 16). Thus, if such an organization has taxable sales it must obtain a seller's permit and remit sales tax to the Department of Revenue.

The following material describes exemptions available to various organizations.

(1) Nonprofit Organizations That Hold a Certificate of Exempt Status (CES) Number

All taxable products and services sold *to* nonprofit organizations operated exclusively for religious, charitable, scientific, or educational purposes or for the prevention of cruelty to children or animals, are exempt if the organization provides its Certificate of Exempt Status (CES) number to the seller.

Effective September 1, 2017, an exemption also applies to sales to title holding entities that are organized under sec. 501(c)(2), IRC, and exempt from federal income tax under sec. 501(a), IRC.

To qualify for this exemption, a Wisconsin organization or holding company must obtain a CES number from the Wisconsin Department of Revenue and provide the number to the seller when purchasing taxable products or services. However, a similar out-of-state organization or holding company may use this exemption to purchase taxable products and services without tax even though it has not been issued a Wisconsin CES number.

Refer to Part 9 for information about obtaining a CES number.

(2) Wisconsin Governmental Units, Agencies, and Instrumentalities

- Sales of taxable products and services sold *to* the following Wisconsin governmental units, agencies, or instrumentalities are exempt.
  - The State of Wisconsin or any of its agencies.
  - Any unit of Wisconsin government or an agency or instrumentality of one or more units of Wisconsin government. This exemption includes any municipality, public school, or public school district in Wisconsin.
  - A county-city hospital established under sec. 66.0927, Wis. Stats.
  - An uptown business improvement district organized under sec. 66.1109, Wis. Stats.
  - A sewerage commission organized under sec. 281.43(4), Wis. Stats., or a metropolitan sewerage district organized under secs. 200.01 to 200.15 or 200.21 to 200.65, Wis. Stats.
  - A joint local water authority created under sec. 66.0823, Wis. Stats.
  - A local exposition district or professional baseball park or football stadium district under subchs. II, III, and IV of ch. 229, Wis. Stats.
  - The University of Wisconsin Hospitals and Clinics Authority.

- A local cultural arts district created under subch. V of ch. 229, Wis. Stats.
- The Fox River Navigational System Authority.
- The Health Insurance Risk-Sharing Plan Authority. (Exemption rescinded, effective January 1, 2015, due to the dissolution of the authority.)
- The Wisconsin Aerospace Authority.
- The Wisconsin Quality Home Care Authority.
- The Wisconsin Economic Development Corporation.
- A cemetery company or corporation described under section 501 (c) (13) of the Internal Revenue Code, if the tangible personal property or taxable services are used exclusively by the cemetery company or corporation for the purposes of the company or corporation.

Sales to foreign countries, other states, or municipalities in other states or foreign countries are taxable if the sale occurs in Wisconsin.

The governmental unit, agency, or instrumentality must give the seller one of the following:

- An exemption certificate (e.g., Form S-211, S-211E, Form S-211-SST).
- A completed purchase order or similar document clearly identifying the purchaser.
- The Certificate of Exempt Status number issued to the governmental unit to be recorded by the seller on the invoice it keeps.

- Sales by the State of Wisconsin of admission fees or stickers permitting access to state parks are exempt.
- A governmental unit's charges for copying public records or confidential records are exempt.

Refer to sec. Tax 11.05, Wis. Adm. Code, "Governmental units," for additional information about exempt sales by governmental units.

(3) Wisconsin American Indian Tribes and Bands

Sales to any federally recognized American Indian tribe or band in Wisconsin are exempt from Wisconsin sales and use taxes.

(4) Elementary or Secondary Schools

- Sales of taxable products (but not services, except admissions described below, by any non-profit public or private elementary or secondary school, including the school district, are exempt. However, sales by colleges and universities are generally taxable.
- Sales of admissions to public and private elementary and secondary school activities are exempt if the entire net proceeds are expended for educational, religious, or charitable purposes.

More information about sales and purchases by elementary and secondary schools is contained in sec. Tax 11.03, Wis. Adm. Code, "Schools and related organizations."

(5) United States Government

- Sales by or to the United States government or any of its agencies or instrumentalities are exempt.
- Sales tax applies to the receipts of non-governmental operators of vending machines located on army, navy, or air force installations, hospitals, or other facilities of the United States government.

- ***United States Government Bankcards -*** The federal government issues certain U.S. Government Bankcards (e.g., "GSA SmartPay" cards) to some of its employees for use when traveling. Such cards state that payment of all purchases will be made directly by the federal government. The cards may also list property and services which may not be purchased using such cards.

Sales to employees of the federal government holding such cards are exempt from Wisconsin sales or use tax, because they are considered sales to the federal government, provided the retailer makes the billing or invoice out in the name of the federal government agency and the retailer receives a purchase order or similar written documentation from the federal government agency or the federal governmental unit's Certificate of Exempt Status (CES) number.

(6) Colleges, Universities, and Vocational Schools

- The sales price from student tuition are nontaxable because such receipts are from educational services. If a single billing for tuition includes mandatory charges for materials (which are incidental to the educational services) or mandatory charges for otherwise taxable services, the entire billing for these mandatory charges and tuition is not taxable. This is the case whether such mandatory charges are or are not separately stated on such single billing issued to the student.

  Note: Non-mandatory charges for these items included in such single billing are taxable if the price varies if the non-mandatory items are not purchased.

- Sales of food and food ingredients furnished in accordance with any contract or agreement by a public or private institution of higher education, are exempt if:
  - The items are furnished to an undergraduate student, a graduate student, or a student enrolled in a professional school if the student is enrolled for credit at that institution and if the items are consumed by that student, or
  - The items are furnished to a National Football League team.

For additional information, see Publication 204, *Sales and Use Tax Information for Colleges, Universities, and Technical Colleges*.

E. Disaster Relief Bankcards and Vouchers Issued by Exempt Organizations

Organizations, such as the Federal Emergency Management Agency (FEMA) and the American Red Cross (ARC), provide relief to disaster victims by distributing funds to those in need. The funds are distributed to disaster victims using various methods including: (1) making electronic transfers directly into a disaster victim's bank account; (2) issuing U.S. Treasury checks to a disaster victim; (3) issuing FEMA debit cards to a disaster victim; (4) providing the disaster victim with an ARC Disbursing Order (ARCDO); and (5) providing the disaster victim with a Client Assistance Card (CAC). The Wisconsin sales and use tax treatment of purchases made using each of these payment methods is described below.

- FEMA Electronic Funds Transfer and U. S. Treasury Checks

  Purchases made by disaster victims with funds from FEMA that have been electronically transferred into an individual's bank account or received by the individual in the form of a U.S. Treasury check are subject to Wisconsin sales or use tax in the same manner as any other purchase made by that individual.

  Example: Individual is a victim of Hurricane Katrina and receives funds from FEMA through an electronic funds transfer directly into Individual's bank account. Individual uses these funds to purchase gasoline for his automobile and a meal at a restaurant. Individual's purchase of the gasoline for his automobile is not subject to Wisconsin sales tax since gasoline for automobiles is generally not subject to Wisconsin sales tax.

Individual's purchase of the meal is subject to Wisconsin sales tax. The fact that these purchases are made with funds that were provided to Individual by FEMA does not affect the taxability of the transactions.

- American Red Cross Disbursing Orders (ARCDO)

  An ARCDO is a voucher that the American Red Cross (ARC) provides to a disaster victim for a specific vendor and is good up to a specified dollar amount. Although ARCDOs are mainly issued for lodging for the victims, the ARC also issues ARCDOs for items such as groceries and clothing. A vendor that accepts an ARCDO submits a copy of the invoice or receipt showing what was purchased by the victim, along with a copy of the ARCDO, to the ARC.

  Note: If the purchase was for less than $25 or was for groceries, a copy of the invoice or receipt is not required to be sent along with the ARCDO.

  The ARC then sends a check to the vendor to pay for the purchase. Purchases made using ARCDOs, as described above, are not subject to Wisconsin sales or use tax since these purchases are made by the ARC. The vendor should keep a copy of the ARCDO and receipt and indicate the ARC's Certificate of Exempt Status (CES) number on the receipt to prove that the sale qualifies for exemption from Wisconsin sales and use tax. The CES number for the ARC is contained in the merchant instructions for the ARCDO.

- American Red Cross Client Assistance Cards (CAC)

  American Red Cross Client Assistance Cards (CACs) are prepaid credit cards which the ARC issues to some victims. Generally, CACs can be used anywhere that a MasterCard is accepted and may be used to purchase any items other than alcohol, tobacco and firearms.

  When a CAC account is set up by the ARC for a victim, the financial institution through which the CAC has been issued will remove the specified amount of funds from the ARC's bank account and transfer the funds to the CAC account. The victim will then select a personal identification number (PIN) for the account and have approximately 15 days to spend the balance on the card. The ARC reserves the right to deactivate or suspend the card at any time if misuse is suspected. In addition, any funds left on the card after a specified period of time are returned to the ARC's bank account.

  Purchases made using CACs are not subject to Wisconsin sales or use tax, provided the invoice for the purchase is made out in the name of the ARC and the purchaser pays for the purchase using the CAC. The retailer should keep a copy of the CAC and receipt and indicate the ARC's CES number on the receipt to prove that the sale qualifies for exemption from Wisconsin sales and use tax.

F. Other Exemptions

(1) Auto Dealers

The loan by an automobile dealer of a motor vehicle to any school or school district for a driver training educational program conducted by the school or school district is exempt. If the dealer makes any other use of the vehicle except retention, demonstration, or display while holding it for sale in the regular course of business, the use is taxable as described in sec. 77.53(1m), Wis. Stats.

(2) Interest, Financing, or Carrying Changes

Charges for insurance are exempt if such charges are separately set forth upon the invoice given by the seller to the purchaser. Charges for interest, financing, and carrying charges that are extended on a sale of taxable products and services are not included in the sales price.

(3) Interstate Commerce Sales

- Sales of taxable products and services, by retailers are exempt from sales tax if the sale takes place at a location outside Wisconsin. See Part 7.C., for information about where a sale takes place (i.e., where a sale is sourced).

  Example: A dry cleaner located in Beloit, Wisconsin has a pick-up route including territory in Illinois. The receipts from dry cleaning or laundry services of clothing picked up in Illinois and returned to Illinois by the dry cleaner are not subject to the Wisconsin tax, even though the actual service is performed in Wisconsin. In the opposite situation (i.e., Illinois dry cleaner selling in Wisconsin), the charges made to Wisconsin customers for dry cleaning are taxable.

  Caution: If the taxable product sold or serviced outside Wisconsin is later brought into Wisconsin, the purchaser may be subject to Wisconsin use tax on the storage, use, or consumption of the property or item or service in Wisconsin, unless an exemption applies. The storage, use, or other consumption of a taxable digital good described in Part 10.A.(4)., sold outside Wisconsin, may be subject to use tax if the purchaser later has the right to use the goods on a permanent or less than permanent basis in Wisconsin.

- Sales of taxable products purchased for use solely outside Wisconsin and delivered to a forwarding agent, export packer, or other person engaged in the business of preparing goods for export or arranging for their exportation and actually delivered to a port outside the continental limits of the United States prior to making any use of the property or items are exempt.

(4) Nonresidents

- Aircraft, motor vehicles, or truck bodies (including semitrailers) sold in Wisconsin to nonresidents of Wisconsin who do not use such property in Wisconsin other than to remove it from Wisconsin, are exempt. **Note:** This exemption is limited to aircraft, motor vehicles, and truck bodies. Wisconsin sales of other products to nonresidents are taxable.
- An aircraft is exempt from Wisconsin use tax when all of the following requirements are met:

  (a) It is purchased in another state. See Part 7.C. for information about where a sale or purchase takes place (i.e., where a sale or purchase is sourced).

  (b) Its owner or lessee has paid all of the sales and use taxes imposed in respect to it by the state where it was purchased.

  (c) If the owner or lessee is a corporation, that corporation, and all corporations with which that corporation may file a consolidated return for federal income tax purposes, neither is organized under the laws of Wisconsin nor has real property or other tangible personal property, except aircraft and such property as hangars, accessories, attachments, fuel, and parts required for operation of aircraft, in Wisconsin at the time the aircraft is registered in Wisconsin.

  (d) If the owner or lessee is a partnership, all of the corporate partners fulfill the requirements in c. above and none of the general partners or limited partners who have management or control responsibilities is domiciled in Wisconsin and the partnership has no other tangible personal property and no real property, except aircraft and such property as hangars, accessories, attachments, fuel, and parts required for operation of aircraft, in Wisconsin at the time the aircraft is registered in Wisconsin.

  (e) If the owner or lessee is a limited liability company, all of the corporate members fulfill the requirements under c. above, and none of the managers and none of the members who has management control responsibilities is domiciled in Wisconsin and the limited liability company has no other tangible personal property and no real property, except aircraft and such property as

hangars, accessories, attachments, fuel, and parts required for operation of aircraft, in Wisconsin at the time the aircraft is registered in Wisconsin.

(f) If the owner or lessee is an individual, the owner or lessee is not domiciled in Wisconsin.

(g) If the owner or lessee is an estate, trust, a cooperative, or an unincorporated cooperative association, that estate, that trust and its grantor, or that cooperative or association does not have real property or other tangible personal property, except aircraft and such property as hangars, accessories, attachments, fuel, and parts required for operation of aircraft, in Wisconsin at the time the aircraft is registered in Wisconsin.

(h) The Department of Revenue has not determined that the owner, if the owner is a corporation, trust, partnership, or limited liability company, was formed to qualify for the exemption from Wisconsin use tax.

- A boat is exempt from Wisconsin use tax if purchased in a state contiguous to Wisconsin by a person domiciled in that state if the boat is berthed in Wisconsin's boundary waters adjacent to the purchaser's state of domicile, if the transaction was an exempt occasional sale under the laws of the state in which the purchase was made. See Part 7.C. for information about where a sale or purchase takes place (i.e., where a sale or purchase is sourced).
- Household goods, taxable products, or aircraft, motor vehicles, boats, snowmobiles, mobile homes, manufactured homes, recreational vehicles, trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, and off-highway motorcycles for personal use, purchased by a nonresident outside Wisconsin 90 days or more before bringing the goods, items, or property into Wisconsin in connection with a change of domicile to Wisconsin.
- Repair work (labor and materials) performed in Wisconsin on a nonresident's motor vehicle or truck body is taxable.

(5) Non-Sales

The following transactions are not considered to be sales under the Wisconsin sales and use tax law, and, therefore, are not subject to Wisconsin sales or use tax:

- The transfer of taxable products to a corporation upon its organization solely in consideration for the issuance of its stock.
- The contribution of taxable products to a newly formed partnership solely in consideration for a partnership interest therein.
- The contribution of taxable products to a limited liability company upon its organization solely in consideration for a membership interest.
- The transfer of taxable products to a corporation, solely in consideration for the issuance of its stock, pursuant to a merger or consolidation.
- The transfer of taxable products to a limited liability company solely in consideration for a membership interest, pursuant to a merger.
- The distribution of taxable products by a corporation to its stockholders as a dividend or in whole or partial liquidation.
- The distribution of taxable products by a partnership to its partners in whole or partial liquidation.
- The distribution of taxable products by a limited liability company to its members in whole or partial liquidation.

- Repossession of taxable products by the seller from the purchaser when the only consideration is cancellation of the purchaser's obligation to pay the remaining balance of the purchase price.
- The transfer of transmission facilities, as defined in sec. 196.485(1)(h), Wis. Stats., to a transmission company, as defined in sec. 196.485(1)(ge), Wis. Stats., after the organizational start-up date, as defined in sec. 196.485(1)(dv), Wis. Stats., of such company in exchange for securities, as defined in sec. 196.485(1)(fe), Wis. Stats.
- The transfer of taxable products in a reorganization as defined in sec. 368 of the Internal Revenue Code in which no gain or loss is recognized for franchise or income tax purposes.
- Any transfer of all or substantially all the taxable products held or used by a person in the course of an activity requiring the holding of a seller's permit, if after the transfer the real or ultimate ownership of the property, items, or goods is substantially similar to that which existed before the transfer. In this context, stockholders, bondholders, partners, members, or other persons holding an interest in a corporation or other entity are regarded as having the real or ultimate ownership of the products of the corporation or other entity. "Substantially similar" means 80% or more of ownership.

A business entity that converts to another business entity under sec. 178.1141 to 178.1145, 179.76, 180.1161, 181.1161, or 183.1207, Wis. Stats., is subject to the sales and use tax provisions applicable to liquidations, reorganizations, and business entity formations in ch. 77, subch. III, Wis. Stats.

(6) Donation of Certain Property

The donation, to an entity specified in sec. 77.54(9a), Wis. Stats., of property that the donating person has purchased tax-free for resale or with a valid exemption certificate is exempt from use tax.

In order to claim this exemption and not pay use tax, the person donating the property will need to establish and document that it is donating the property to a qualifying organization under sec. 77.54(9a), Wis. Stats. One way to document this is to get a statement from the organization receiving the donation that indicates the specific type of entity that it is from the list provided in Part 11.D. of this publication.

(7) Operators of Distribution Facilities (Effective July 14, 2015)

Effective July 14, 2015, a person may operate a distribution facility and make sales of tangible personal property and items under sec. 77.52(1)(b), Wis. Stats., on behalf of third-party sellers, without becoming liable for the tax on such sales, if all of the following conditions apply:

- The person or any of the person's affiliates operates a distribution facility.
- The person or any of the person's affiliates sells the tangible personal property or items under sec. 77.52(1)(b), Wis. Stats., on behalf of a 3rd-party seller.
- The 3rd-party seller owns the tangible personal property or items under sec. 77.52(1)(b), Wis. Stats., and is disclosed to the customer as the seller.
- Neither the person nor any affiliate of the person makes any sales for which the customer takes possession of the tangible personal property or items under sec. 77.52(1)(b), Wis. Stats., at a location operated by the person or any of the person's affiliates.

The July 14, 2015, law change does not apply to the following:

- Sales at auction;
- Sales of tangible personal property or items under sec. 77.52(1)(b), Wis. Stats., owned or previously owned by the person operating the distribution facility or by any of the person's affiliates; or

- Sales of any of the following that are registered or titled, or required to be registered or titled, in Wisconsin or the United States:
  - Motor vehicles
  - Aircraft
  - Snowmobiles
  - Recreational vehicles, as defined in sec. 340.01(48r), Wis. Stats.
  - Trailers
  - Semitrailers
  - All-terrain vehicles
  - Utility terrain vehicles
  - Boats

Note: Unless the exception above applies, persons that make sales on behalf of a third-party sellers are retailers, as provided in sec. 77.51(13)(c), Wis. Stats., and are liable for Wisconsin sales or use tax on sales that take place in Wisconsin. A retailer is not liable for tax on sales made on behalf of third-party sellers if the retailer can show that the tax has been remitted on the transaction by the third-party seller. The third-party seller may also be liable for the tax, unless the third-party seller can show that tax has been remitted by their authorized retailer.

12. CONTRACTORS

A. How Contractors Are Taxed on Labor, Materials, and Supplies

The tax owed by contractors depends upon whether they are acting as retailers or as consumers in conducting their business.

A contractor is a *consumer* when constructing, installing, repairing, or servicing real property such as buildings. As a consumer, the contractor must pay sales or use tax on materials and supplies used in such activities. A contractor may not charge sales tax on the labor or materials used in such work. However, the contractor's selling price may reflect all costs incurred.

A contractor is a *retailer* when selling, installing, repairing, or servicing taxable products. When selling, installing, repairing, or servicing taxable products, the contractor is liable for sales tax on all receipts from labor, material, and other charges for such sales or activities (unless an exemption applies as described in Part 11.).

Important: Obtain Publication 207, *Sales and Use Tax Information for Contractors*, for more information about what is real and personal property and a contractor's activities involving such property for purposes of the sales and use tax.

Contractors and other persons providing taxable landscaping and lawn maintenance services may purchase without tax for resale, taxable products physically transferred to the customer in conjunction with providing the taxable service, even though the service results in a realty improvement.

Example: A landscaper installs sod and plants trees for a customer in providing a taxable landscaping service. The landscaper may purchase the sod and trees without tax for resale. The landscaper should give a completed exemption certificate indicating resale to the person from whom it purchased the sod and trees.

B. Contractor's Tools and Equipment

A contractor must pay sales or use tax on its purchases of all tools and equipment used in any construction, installation, repair, or service activity.

C. Contractors Constructing Buildings for Governmental Units, Schools, Churches, Hospitals, or Other Exempt Institutions

Even though a contractor is constructing a building for a state or federal governmental unit, the sales of building materials to the contractor are taxable. The reason for this treatment is that the contractor is the consumer of the building materials used in constructing the building. Consequently, the sale to the contractor is a retail sale and is subject to tax.

For contracts entered into on or after January 1, 2016, a sales and use tax exemption applies to the sale of building materials sold to a construction contractor who, in fulfillment of a real property construction activity, transfers the building materials to a Wisconsin county, city, village, town, school district, county-city hospital, sewerage commission, metropolitan sewerage district, joint local water authority, or eligible nonprofit organization, and the building materials become a component of a facility located in Wisconsin that is owned by that entity.

For the exemption to apply, the following criteria must be met:

- The construction must be for a qualifying exempt entity;
- The property must become part of a facility in Wisconsin that is owned by the exempt entity; and
- The property must be transferred to the qualifying exempt entity.

"Facility" means any building, shelter, parking lot, parking garage, athletic field, athletic park, storm sewer, water supply system, or sewerage and waste water treatment facility, but does not include a highway, street, or road.

This exemption is further explained in the article titled "New Sales and Use Tax Exemption Effective January 1, 2016 - Building Materials That Become Part of a Local Government or Qualifying Nonprofit Facility," which was published in *Wisconsin Tax Bulletin #192* (January 2016), beginning on page 19.

For additional information about construction contracts with exempt entities, refer to Publication 207, *Sales and Use Tax Information for Contractors*, Part 4.A. Also, see the tax release titled "Purchases of Building Materials by Exempt Entities for Use by Contractor in Real Property Construction," published on pages 27-34 of *Wisconsin Tax Bulletin #115* (October 1999).

The list of entities whose facilities qualify for the exemption is expanded for contracts entered into on September 1, 2017 and July 1, 2018. See page 8 of *Wisconsin Tax Bulletin #202* (July 2018).

D. Construction, Renovation, or Development of Professional Sports and Entertainment Home Stadiums

The sale of and the storage, use, and consumption of building materials, supplies, and equipment to or by owners, contractors, subcontractors, or builders acquired solely for or used solely in the construction, renovation, or development of sports and entertainment home stadiums are exempt from Wisconsin sales and use tax. For more information, contact any Department of Revenue office.

E. Construction and Development of Sports and Entertainment Arena Facilities (Effective August 14, 2015)

The sale of building materials, supplies, equipment, and landscaping services to; and the storage, use, or other consumption of the same property and services by; owners, lessees, contractors, subcontractors, or builders if that property or service is acquired solely for, or used solely in, the construction or development of sports and

entertainment arena facilities, as defined in sec. 229.41(11g), Wis. Stats. The exemption will no longer apply one year after the Secretary of Administration issues the certification under sec. 229.42(4e)(d), Wis. Stats.

Section 229.41(11e), Wis. Stats., defines "sports and entertainment arena" as the arena structure and the land necessary for its location that is used as the home arena of a professional basketball team and for other sports, recreation, and entertainment activities. "Sports and entertainment arena facilities" are further defined in sec. 229.41(11g), Wis. Stats.

F. Construction and Development of an Electronics and Information Technology Manufacturing Zone

The sale of building materials, supplies, equipment, and landscaping services to; and the storage, use, or other consumption of the same property and services by; owners, lessees, contractors, subcontractors, or builders if that property or service is acquired solely for, or used solely in, the construction or development of a facility in an electronics and information technology manufacturing zone.

In order for the exemption to apply, the zone must be designated as an electronics and information technology manufacturing zone under sec. 238.396(1m), Wis. Stats. An additional requirement is that the capital expenditures for the construction or development of such facilities must be eligible to be claimed as a credit under sec. 71.07(3wm)(bm) or sec. 71.28(3wm)(bm), Wis. Stats., as certified by Wisconsin Economic Development Corporation.

G. Lump Sum and Construction Contract Exemption (Effective October 1, 2013 and Expanded December 1, 2017)

Some contractors sell both real property improvements (not taxable) and tangible personal property (taxable). An exemption applies for certain contracts entered into October 1, 2013 through November 30, 2017, in which the contractor sells both real property improvements and tangible personal property for one price ("lump-sum contract exemption"). The exemption was expanded to certain construction contracts first entered into or extended, modified, or renewed on December 1, 2017 ("construction contract exemption").

Lump-Sum Contract Exemption (applies to contracts entered into on October 1, 2013 through November 30, 2017): When a contractor sells both a real property improvement and tangible personal property or taxable services in a single contract, the contract is a lump-sum contract if the contractor quotes one price for all of its various charges (labor, services of subcontractors, tangible personal property, items or property under sec. 77.52(1)(b) or (c), Wis. Stats. (2015-16). A lump-sum contract may include a contract for which the contractor itemizes its various charges as a part of a schedule of values or similar document.

The lump-sum contract exemption applies if the contractor's sales price that relates to the taxable products and services are less than 10% of the total contract price. When the lump-sum contract exemption applies:

- The contractor's sale to its customer is not taxable.
- The contractor's purchase of materials and supplies is taxable. (See Exception, below.)

Construction Contract Exemption (first applies to contracts entered into or extended, modified, or renewed on December 1, 2017): The lump-sum contract exemption for contractors was expanded to include sales and purchases by subcontractors. Sales of products and services sold by "prime contractors" and "subcontractors" as part of a real property construction contract, which includes lump-sum and time and materials contracts, are exempt from tax if more than 90 percent of the total contract price relates to real property construction activities.

Exception for contracts entered into with entities that are exempt from tax under sec. 77.54(9a), Wis. Stats. Taxable products and services sold by a contractor as a part of a lump-sum contract or a construction contract with an exempt entity that are not consumed in a real property construction activity may be purchased by the

contractor or subcontractor without tax, for resale. However, materials and supplies that are consumed in a real property construction activity under a lump-sum contract or a construction contract with any customer, including an exempt entity, may not be purchased by the contractor or subcontractor without tax, unless another exemption applies.

See the article titled "Construction Contract Exemption" for definitions and further explanation of how the exemption applies to contractors and subcontractors.

13. LEASES, LICENSES, AND RENTALS

A. Sales Price From Leases, Licenses, and Rentals

The sales price from the lease, license, or rental of taxable products is subject to the sales and use taxes to the same extent that the sales price from the sale of the same product would be subject to the tax. A lease is a continuing sale in Wisconsin, and a lessor or licensor shall pay tax on the lease, license, or rental payments sourced to Wisconsin, even though the product may have previously been acquired, used, or both by the lessee or licensee in another state. See Part 13.D. to determine where a lease, license, or rental takes place (i.e., where the lease, license, or rental payments are sourced).

The following charges related to the lease, license, or rental of taxable products are also included in the "sales price" or "purchase price":

- Personal property taxes, including any personal property tax administration fee, imposed on the lessor or licensor that are passed on to the lessee or licensee.
- Contract documentation or administration fees.
- Disposal and return fees.
- Service contract charges, warranty charges, and maintenance agreement charges.

The following charges related to the lease, license, or rental of taxable products are not included in the "sales price" or "purchase price" if they are separately stated on the invoice, bill of sale, or similar document provided to the lessee or licensee:

- Personal property taxes imposed directly on the lessee or licensee.
- Title and registration fees.
- Late payment fees that do not extend the term of the lease, license, or rental.
- Returned check fees.
- Insurance charges, including credit life and accident, casualty, theft, and loss, and gap insurance.

The retailer may exclude interest and financing charges from the sales price charges if the interest and financing charges are separately stated on the invoice, bill of sale, or similar document that the retailer gives to the purchaser.

B. Purchases for Lease, License, or Rental

A lessor or licensor may purchase without tax, for resale, taxable products that will be used solely for lease, license, or rental. A lessor's or licensor's purchase of lubricants, repair parts, and repair services for taxable products used solely in leasing, licensing, or renting may also be purchased without tax for resale. However, if the same products are purchased by a lessee, licensee, or renter, the purchases are taxable.

Charges by a lessor or licensor to a lessee, licensee, or renter under a maintenance contract on leased products are taxable.

C. Equipment Provided With an Operator

When equipment is provided with an operator, the tax treatment of the transaction depends on whether the operator is necessary for the equipment to perform in the manner for which it is designed and whether the operator does more than maintain, inspect, or set up the equipment.

- ***Leases and Rentals of Equipment:*** Leases and rentals of equipment with an operator that only maintains, inspects, or sets up the equipment are subject to sales or use tax. A lessor may purchase equipment without tax for resale if the lessor uses the equipment solely for leasing or renting. A lessor may also purchase lubricants, repair parts, and repair services for equipment used solely for leasing or renting, without tax for resale.
- ***Equipment Used to Provide a Service:*** If equipment is provided along with an operator who is necessary for the equipment to perform in the manner for which it is designed, and the operator does more than maintain, inspect, or set up the equipment, the person providing the equipment is considered to be providing a service, rather than leasing or renting the equipment. The service may or may not be a taxable service. A service provider is liable for sales or use tax on its purchases of equipment that it uses to provide services. A service provider is also liable for sales or use tax on its purchases of repair parts and repair services for such equipment.

D. Where a Lease, License, or Rental Takes Place (i.e., Sourcing the Lease, License, or Rental Payments)

There are special provisions that apply in determining where a lease, license, or rental takes place (i.e., where the lease, license, or rental payments are sourced).

Note: Where the lease, license, or rental payments are sourced is not altered by any intermittent use of the property, item, or good described in Part 10.A. at different locations.

- **"General Rules for Sourcing of Leases, Licenses, and Rentals"** explains where to source the payments for leases, licenses, or rentals, except for transportation equipment (as defined below) and motor vehicles, trailers, semitrailers, and aircraft that are not transportation equipment.
- **"Sourcing of Leases, Licenses, and Rentals of Motor Vehicles, Trailers, Semitrailers, and Aircraft That Are Not Transportation Equipment"** explains where to source the payments for leases, licenses, or rentals of motor vehicles, trailers, semitrailers, and aircraft that are not transportation equipment.
- **"Sourcing of Leases, Licenses, and Rentals of Transportation Equipment"** explains where to source the payments for leases, licenses, or rentals of transportation equipment, as defined below.
  - General Rules for Sourcing of Leases, Licenses, and Rentals

    Except for the lease, license, or rental of transportation equipment (as defined below) and motor vehicles, trailers, semitrailers, and aircraft that are not transportation equipment, the payments for the leases, licenses, or rentals are sourced as follows:

    Only one payment. If there is only one payment, the payment for the lease, license, or rental is sourced to the location determined by the General Sourcing Rules, as provided in Part 7.C.

    More than one payment. If there is more than one payment, the first payment for the lease, license, or rental is sourced to the location determined by the General Sourcing Rules, as provided in Part 7.C. Subsequent periodic payments are sourced to the primary location of the taxable products. The primary location is the address of the product provided by the lessee or licensee and that is available in the

business records of the lessor or licensor that are maintained in the ordinary course of the lessor's or licensor's business, provided the use of such address does not constitute bad faith.

- Sourcing of Leases, Licenses, and Rentals of Motor Vehicles, Trailers, Semitrailers, and Aircraft That are Not Transportation Equipment

  Payments for a lease, license, or rental of a motor vehicle, trailer, semitrailer, or aircraft that is not transportation equipment (as defined below) are sourced as follows:

  Only one payment. If there is only one payment, the payment for the lease, license, or rental is sourced to the location determined by the General Sourcing Rules, as provided in Part 7.C.

  More than one payment. If there is more than one payment, the lease, license, or rental is sourced to the primary location of such property as indicated by an address for the property that is provided by the lessee or licensee and that is available in the business records of the lessor or licensor that are maintained in the ordinary course of the lessor's or licensor's business, provided the use of such address does not constitute bad faith.

- Sourcing of Leases, Licenses, and Rentals of Transportation Equipment

  Payments for a lease, license, or rental of transportation equipment are sourced using the General Sourcing Rules, as provided in Part 7.C.

  "Transportation equipment" means any of the following:

  - Locomotives and railcars that are used to carry persons or property in interstate commerce.
  - Trucks and truck tractors that have a gross vehicle weight rating of 10,001 pounds or greater, trailers, semitrailers, and passenger buses, if such vehicles are registered under the International Registration Plan under s. 341.405, Stats., and operated under the authority of a carrier that is authorized by the federal government to carry persons or property in interstate commerce.
  - Aircraft that are operated by air carriers that are authorized by the federal government or a foreign authority to carry persons or property in interstate or foreign commerce.
  - Containers that are designed for use on the vehicles described in a. through c., and component parts attached to or secured on such vehicles.

Note: Refer to sec. Tax 11.29, Wis. Adm. Code, "Leases, licenses and rentals of tangible personal property and items, property and goods under s. 77.52(1) (b), (c), and (d), Stats.," for additional information on specific lease transactions.

14. MANUFACTURING AND BIOTECHNOLOGY

Specific exemptions are contained in the sales and use tax law for persons engaged in manufacturing. Manufacturing means the production by machinery of a new article of tangible personal property; or item or property described in Part 10.A.(2) and (3); with a different form, use, and name from existing materials, by a process popularly regarded as manufacturing. The process begins with conveying raw materials and supplies from plant inventory to the place where work is performed in the same plant and ends with conveying finished units of tangible personal property, items, or property to the point of first storage in the same plant.

"Manufacturing" includes:

- Crushing, washing, grading and blending sand, rock, gravel and other minerals.
- Ore dressing, including the mechanical preparation, by crushing and other processes, and the concentration, by flotation and other processes, of ore, and beneficiation, including the preparation of ore for smelting.

- Conveying work in process directly from one manufacturing process to another in the same plant; testing or inspecting, throughout the manufacturing process, the new article of tangible personal property; or item or property described in Part 10.A.(2) and (3); that is being manufactured; storing work in progress in the same plant where the manufacturing occurs; assembling finished units of tangible personal property; and packaging a new article of tangible personal property; item or property described in Part 10.A.(2) and (3).; if the manufacturer, or another person on the manufacturer's behalf, performs the packaging and if the packaging becomes part of the new article as it is customarily offered for sale by the manufacturer.

"Manufacturing" does not include storing raw materials or finished units of tangible personal property; or items or property described in Part 10.A.(2) and (3); research or development, delivery to or from the plant, or repairing or maintaining plant facilities.

"Manufacturing" also does not include the process of creating a digital good. Digital goods are further explained in Part 10.A.(4). Also see Publication 240, *Digital Goods,* for a detailed description of which digital goods are taxable.

For purposes of the definition above, "plant" means a parcel of property or adjoining parcels of property, including parcels that are separated only by a public road, and the buildings, machinery, and equipment that are located on the parcel, that are owned by or leased to the manufacturer; and "plant inventory" does not include unsevered mineral deposits.

A. Manufacturers

Types of businesses which are usually considered to be manufacturers include (this list is not all-inclusive):

Asphalt plants, bakeries, battery makers, breweries (including micro-breweries in brew-pubs) and soda water bottling plants, candy factories, cement and concrete plants, cheese cutting and repackaging plants, chemical processing plants, persons engaged in chemically treating wood, concrete block and tile producers, creameries and instant milk producers, dairies and cheese plants, dental labs, ductwork fabrication shops, electric generating companies, fertilizer plants, flour and feed mills including mobile units, food processing plants (canning and freezing), foundries and glass making plants, grain dryers, hide curers, persons engaged in duplicating keys, limestone calcination plants, machine and equipment producers, malting plants, meat packing and processing plants, manufactured home and modular home factories (when not engaged in real property construction activities), motor vehicle and aircraft factories, oil refineries, paint factories, paper making plants, persons engaged in snowmaking for a ski hill, photofinishers, printers, sawmills, scrap processors, shoe and clothing factories, smelting and steel mills, tanneries, tool and die making plants, tire retreaders, persons engaged in crushing, washing, grading and blending sand, rock, gravel and other minerals, persons engaged in ore dressing, including the mechanical preparation, by crushing and other processes, and the concentration, by flotation and other processes, of ore, and the beneficiation, including but not limited to the preparation of ore for smelting, persons engaged in editing and duplicating video tapes, and persons engaged in heat treating and metal plating semi-finished products furnished by manufacturers.

B. Nonmanufacturers

Businesses which are not considered manufacturers include (this list is not all-inclusive):

Contractors (when engaged in real property construction activities and installing or repairing tangible personal property), farmers, fish hatcheries, freezer and locker plants, highway truckers, hotels, laundries and dry cleaners, repair persons, restaurants, television and radio stations, and persons engaged in: corn shelling, experimental and development activities, logging and forestry operations, mining, paper recycling, photography, popping corn, the business of raising and breeding animals, real property construction activities, custom slaughtering of animals and vending machine operations.

C. Exemption for Manufacturing Machines and Specific Processing Equipment

Machines and specific processing equipment and repair parts or replacements thereof and safety attachments for such machines and equipment may be purchased exempt from tax if such items are used *exclusively* and *directly* by a manufacturer in manufacturing tangible personal property; or items or property described in Part 10.A.(2) and (3).

D. Exemption for Ingredients, Component Parts, and Consumable Items

Items are exempt from Wisconsin sales and use tax if the items are used exclusively and directly by a manufacturer in manufacturing an article of tangible personal property; or item or property described in Part 10.A.(2) and (3); that is destined for sale and that become an ingredient or component part of the article of tangible personal property, or item or property or which are consumed, destroyed, or lose their identity in manufacturing the article of tangible personal property, or item, or property destined for sale, except for fuel and electricity consumed in manufacturing tangible personal property; or item or property described in Part 10.A.(2) and (3).

The exemption does not apply to fuel and electricity, except that the following are exempt:

- Tangible personal property, including fuel and electricity, that becomes an ingredient or component part of, or is consumed, destroyed, or loses its identity in the manufacture of shoppers guides, newspapers, or periodicals is exempt, regardless of whether or not the shoppers guides, newspapers, or periodicals are destined for sale.
- Fuel and electricity consumed in manufacturing tangible personal property; or items or property described in Part 10.A.(2) and (3); in Wisconsin, regardless of whether the tangible personal property, item, or property manufactured is destined for sale.

Caution: Fuel and electricity "consumed in manufacturing" means fuel and electricity used to operate machines and equipment used directly in the step-by-step manufacturing process. Fuel and electricity are not "consumed in manufacturing" if they are used in providing plant heating, cooling, air conditioning, communications, lighting, safety and fire prevention, research and product development, receiving, storage, sales, distribution, warehousing, shipping, advertising or administrative department activities. However, fuel and electricity used directly in manufacturing steam which is used by the manufacturer in further manufacturing or in heating a facility, or both, is "consumed in manufacturing."

Examples of ingredients or component parts qualifying for the exemption are neon or argon gases used as a filler in the production of light bulbs. Welding rods which become a component part of the product manufactured may also be purchased exempt from tax.

Examples of items which are consumed, destroyed or lose their identity are acids, chemicals, cleaning compounds, and solvents for maintaining manufacturing machinery, cutting or lubricating oils, greases, lapping and grinding compounds, sandpaper, and gases and wood used to smoke products.

The exemption does not apply to purchases of employee wearing apparel and gloves worn for the comfort or welfare of the employee. However, wearing apparel consumed during the manufacturing process which prevents contamination of the product produced is exempt from tax.

E. Exemption for Property Used in Qualified Research

Purchases of the following are exempt from Wisconsin sales and use taxes:

- Machinery and equipment, including attachments, parts, and accessories, and other tangible personal property or items, or property under sec. 77.52(1)(b) or (c), Wis. Stats., consumed or destroyed or losing their identities, used exclusively and directly in qualified research, if that machinery, equipment, or tangible personal property is sold to any of the following:

  (1) A person engaged in manufacturing in Wisconsin at a building assessed under sec. 70.995, Wis. Stats.

  (2) A person primarily engaged in biotechnology in Wisconsin.

  (3) A combined group member who is conducting qualified research for another combined group member and that other combined group member is a person described in (1) or (2).

  For purposes of this exemption:

  - "Building" has the meaning given in sec 70.111(10)(a)1., Wis. Stats.
  - "Combined group" has the meaning given in sec. 71.255(1)(a), Wis. Stats.
  - "Machinery" has the meaning given in sec. 70.11(27)(a)2., Wis. Stats.
  - "Qualified research" means qualified research as defined under sec. 41(d)(1) of the Internal Revenue Code, except that it includes qualified research that is funded by a member of a combined group for another member of a combined group.
  - "Used exclusively" has the meaning given in sec. 77.54(3)(b)3., Wis. Stats.

  For sales and purchases made from January 1, 2012 through July 1, 2013, an exemption applied for:

  (1) machinery and equipment, including attachments, parts, and accessories that are sold to a person engaged primarily in manufacturing or biotechnology in Wisconsin and used exclusively and directly in qualified research, and

  (2) other tangible personal property or items or property under sec. 77.52(1)(b) or (c), Wis. Stats., that were sold to a person engaged primarily in manufacturing or biotechnology in Wisconsin and which were consumed or destroyed or lost their identities while being used exclusively and directly in qualified research. "Qualified research" was limited to activities that met the definition of qualified research under sec. 41(d)(1) of the Internal Revenue Code, which excluded research to the extent funded by any contract, grant, or otherwise by another person (or governmental entity).

  See the following fact sheets for additional information about this exemption:

  - Fact Sheet 2101-1, *Sales and Use Tax Exemption for Qualified Research From January 1, 2012 Through July 1, 2013*
  - Fact Sheet 2101-2, *Sales and Use Tax Exemption for Qualified Research on and After July 2, 2013*

- The following items, if used exclusively and directly in raising animals that are sold primarily to a biotechnology business, a public or private institution of higher education, or a governmental unit for exclusive and direct use by any such entity in qualified research or manufacturing:

  - Machines and specific processing equipment, including accessories, attachments, and parts for the machines or equipment.
  - Items listed in sec. (3m)(a) to (m), Wis. Stats., drugs, semen for artificial insemination, fuel, and electricity.

  "Qualified research" means qualified research as defined under sec. 41(d)(1) of the Internal Revenue Code, except that it includes qualified research that is funded by a member of a combined group for another member of a combined group.

For sales and purchases made from January 1, 2012 through July 1, 2013, "qualified research" was limited to activities that met the definition of qualified research under sec. 41(d)(1) of the Internal Revenue Code, which excluded research to the extent funded by any contract, grant, or otherwise by another person (or governmental entity).

For additional information about this exemption, see Fact Sheet 2102, *Sales and Use Tax Exemptions Relating to Raising Animals Sold for Use in Qualified Research and Manufacturing.*

For more information about how the sales and use tax law applies to manufacturers, obtain Publication 203, *Sales and Use Tax Information for Manufacturers*.

Additionally, rules which may be of interest to manufacturers include secs. Tax 11.15, Wis. Adm. Code, "Containers and other packaging and shipping materials," Tax 11.38, Wis. Adm. Code "Fabricating and processing," Tax 11.39, Wis. Adm. Code "Manufacturing," Tax 11.40, Wis. Adm. Code "Exemption of machines and processing equipment," and Tax 11.41, Wis. Adm. Code "Exemption of property consumed or destroyed in manufacturing."

15. SELLING A BUSINESS OR BUSINESS ASSETS

The sale of business assets consisting of taxable products by a person who holds or is required to hold a seller's permit at the time of sale, is subject to sales tax, except that the sale is exempt if both of the following conditions are met:

- The sale is of taxable products (other than inventory held for sale); previously used by the seller to conduct its trade or business at a location.
- The sale occurs after the seller ceased operating the business at that location.

A sale meeting the above two conditions is exempt from sales and use taxes even though the seller holds a seller's permit for one or more other locations.

Situations involving the sale of business assets which are subject to tax include:

- Selling inventory of a continuing business. (The purchaser may be able to purchase the inventory without tax for resale.)
- Sales of motor vehicles, boats, snowmobiles, recreational vehicles, trailers, semitrailers, all-terrain vehicles, utility-terrain vehicles, off-highway motorcycles, or aircraft.

  Note: If the seller holds or is required to hold a seller's permit, the seller is liable for the sales tax on its sale of such property. If the seller has inactivated its seller's permit and is not required to hold a seller's permit (including a seller's permit for any other business activities), the seller is not required to collect tax on its sale of such property; the purchaser will pay tax upon registration of the property.

See Fact Sheet 2110, *Occasional Sales of Business Assets*, and sec. Tax 11.34, Wis. Adm. Code, "Occasional sales exemption for sale of a business or business assets," for more information.

16. OCCASIONAL SALES

The "occasional sales" of products and services may be taxable or exempt as described below.

A. Exempt Occasional Sales By Nonprofit Organizations

Sales by neighborhood associations, churches, social clubs, civic groups, garden clubs, and other nonprofit organizations which conduct one or more fund raising events during the year are exempt occasional sales if certain conditions are met.

The sales of taxable products and services, including admissions or tickets to an event, conducted by a nonprofit organization are exempt occasional sales if:

(1) the aggregate payments for entertainment does not exceed $10,000* at an event for which an admission is charged,

(2) the organization is not engaged in a trade or business, and (3) the organization does not have and is not required to have a seller's permit.

* Prior to the calendar year 2017, the entertainment standard was $500.

An organization is deemed to be engaged in a trade or business if its sales of taxable products and services and its events occur on more than 75** days during the year. For events involving the sale of tickets, only the actual days of the events are counted for the 75-day** standard (not the days of ticket sales). However, if an organization's taxable sales price for taxable products and services do not exceed $50,000** for the calendar year, it is not considered to be engaged in a trade or business even if its sales and/or events exceed 75** days.

**Prior to the calendar year 2017, the number of days standard was 20 days, and the taxable receipts standard was $25,000.

A nonprofit organization whose receipts have become taxable because it has exceeded the above standards must obtain a seller's permit and pay taxes on all taxable receipts received after it is required to obtain that permit.

If an organization later becomes eligible for the occasional sale exemption except for its possession of a seller's permit, it may inactivate its permit. Sales of taxable products and services are subject to Wisconsin sales or use tax until the permit is inactivated. An organization may inactivate its seller's permit by sending an email message stating that the permit should be inactivated. The email should include the reason for inactivation, the organization's tax account number, and the day on which the inactivation will be effective. This email should be sent to DORSalesandUse@wisconsin.gov.

IMPORTANT: An organization is liable for Wisconsin sales or use tax on all of its Wisconsin sales of taxable products and services if the organization holds or is required to hold a seller's permit, unless an exemption applies (e.g., sale to a federal governmental agency).

For additional information on exempt occasional sales by nonprofit organizations, see Publication 206, *Sales Tax Exemption for Nonprofit Organizations*. Also refer to sec. Tax 11.35, Wis. Adm., Code, "Occasional sales by nonprofit organization, for more information."

B. Sales by Auction

Sales by an auctioneer of personal household goods and personal farm property if the auctioneer has five or fewer auctions at that location during the year are exempt occasional sales. For indoor locations, "location" means a building, except that in the case of a shopping center or shopping mall, "location" means a store.

Refer to Publication 217, *Auctioneers – How Do Wisconsin Sales and Use Taxes Affect your Operations?*, for more information.

C. Sales Which Are Not "Occasional Sales"

The following transactions are not exempt occasional sales, but rather are taxable sales:

Sales by a person who holds or is required to hold a seller's permit. For example, sales of used equipment by a retail store or vending machine operator are taxable.

The sale of a business or the assets of a business when the seller holds or is required to hold a seller's permit and does not qualify for the occasional sale exemption (see Part 15.). The tax applies to the portion of the sales price attributable to the personal property, such as equipment, furniture, and fixtures.

Sales made by persons who hold themselves out to the public as engaged in business, even though their sales may be few and infrequent. This includes the sales of works of art, handmade articles, antiques, or used property by artists or others who are pursuing a vocation or part-time business as a seller of such property.

Exception: Sales of taxable products or services by a person not otherwise required to hold a seller's permit, if the total taxable sales price from sales of taxable products and services is less than $2,000* during the calendar year, are occasional sales.

*Prior to 2018, the threshold was $1,000

Additional information regarding the occasional sale exemption can also be found in a tax release published in *Wisconsin Tax Bulletin #122* (October 2000), pages 30-37.

Sales of bingo supplies and cards by persons conducting bingo games.

Sales by persons engaged primarily in the business of making nontaxable sales of taxable products; such as manufacturers, wholesalers, and grocers. Since these persons are in the business of selling taxable products, the fact that only a small fraction of their total sales are taxable retail sales does not make these sales exempt occasional sales.

D. Occasional Sales of Motor Vehicles, Boats, Etc., Are Taxable

Occasional sales of motor vehicles, boats, snowmobiles, recreational vehicles, trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, off-highway motorcycles and aircraft are taxable unless sold to the spouse, parent, stepparent, father-in-law, mother-in-law, child, stepchild, daughter-in-law or son-in-law, of the seller, and then only when the unit was previously registered or titled in Wisconsin in the name of the seller.

The purchaser must pay any tax due at the time the unit is registered or titled for use in Wisconsin. The purchaser of a motor vehicle, recreational vehicle, trailer, or semitrailer files Form MV-1, "Application for Title/Registration," with the Department of Transportation and pays any tax due. The purchaser of an aircraft pays any tax due to the Department of Transportation with the "Application for Aircraft Registration or Exemption." The purchaser of a boat, snowmobile, all-terrain vehicle, utility terrain vehicle, or off-highway motorcycle pays the tax to the Department of Natural Resources (or Lac du Flambeau Band for a snowmobile, all-terrain vehicle, utility terrain vehicle, or off-highway motorcycle registered with the Lac du Flambeau Band) at the time the boat, snowmobile, all-terrain vehicle, utility terrain vehicle, or off-highway motorcycle is registered with that department.

Filing an incorrect return due to neglect may result in a penalty of 50% of the tax finally determined.

17. DIRECT PAY

Eligible persons may purchase certain taxable products or services without Wisconsin sales or use tax using a direct pay permit. If the taxable products or services are stored, used, or consumed in Wisconsin in a taxable manner, the purchaser must report Wisconsin use tax on the purchase price of the product or service.

A. Products That May Not Be Purchased Using a Direct Pay Permit.

A direct pay permit ***may not*** be used for the purchase of the following:

- Lodging services
- Admissions to amusement, athletic, entertainment, or recreational events, devices, or facilities.
- Internet access services; prepaid calling services and intrastate, interstate, and international telecommunications services, except interstate 800 services; ancillary services, and telecommunications message services
- Parking for motor vehicles and aircraft and docking or storage space for boats
- Cable television services
- Landscaping services and products provided in connection with the purchase of landscaping services
- Motor vehicles, boats, snowmobiles, recreational vehicles as defined in s. 340.01 (48r), Stats., trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, off-highway motorcycles, or aircraft
- Candy, soft drinks, dietary supplements, prepared foods, and alcoholic beverages

Although the listed products may not be purchased without sales or use tax using a direct pay permit, the purchaser may purchase these products without tax if a resale, farming, manufacturing, or other exemption applies.

B. Who Is Eligible for Direct Pay?

The Department of Revenue will issue a direct pay permit to an applicant at the beginning of the applicant's taxable year, if the following seven requirements are met:

(1) Because the nature of the applicant's business, issuing the permit will significantly reduce the work of administering the sales and use taxes;

(2) The applicant's accounting system will clearly indicate the amount of tax the applicant owes;

(3) The applicant makes enough taxable purchases to justify the expense of regular audits by the Department of Revenue;

(4) The applicant is not liable under ch. 71, 72, 76, 77, 78, or 139, Wis. Stats., for delinquent taxes (including costs, penalties, surcharges, and interest) of $400 or more if any part of the tax is delinquent for at least five months;

(5) It is in the state's best interests to issue the permit;

(6) The applicant purchases enough taxable products under circumstances that make it difficult to determine whether the products will be subject to sales or use tax; and

(7) The applicant holds a valid business tax registration certificate under sec. 73.03(50), Wis. Stats.

C. How to Apply for a Direct Pay Permit

Form S-101, *Application For Direct Pay Permit*, may be obtained by writing to or calling Wisconsin Department of Revenue, P.O. Box 8949, Madison, WI 53708-8949 (telephone (608) 266-2776).

D. Additional Information

Obtain a copy of sec. Tax 11.13, Wis. Adm. Code, "Direct pay," for more information about direct pay.

18. COUNTY AND STADIUM SALES AND USE TAXES

A. Introduction

(1) County Sales and Use Taxes

There is a 0.5% county sales and use tax in 66 counties. Listed below are the 66 counties and the effective date for each county's tax.

Note: The county code assigned by the department for each county is in parenthesis following the county name. This may be helpful to retailers for computer programming purposes.

Counties With County Tax					
County	**Effective Date**	**County**	**Effective Date**	**County**	**Effective Date**
Adams (01)	1/1/1994	Green (23)	1/1/2003	Pierce (47)	4/1/1988
Ashland (02)	4/1/1988	Green Lake	7/1/1999	Polk (48)	4/1/1988
Barron (03)	4/1/1986	Iowa (25)	4/1/1987	Portage (49)	4/1/1989
Bayfield (04)	4/1/1991	Iron (26)	4/1/1991	Price (50)	1/1/1993
Brown (05)	1/1/2018	Jackson (27)	4/1/1987	Richland (52)	4/1/1989
Buffalo (06)	4/1/1987	Jefferson (28)	4/1/1991	Rock (53)	4/1/2007
Burnett (07)	4/1/1989	Juneau (29)	4/1/1992	Rusk (54)	4/1/1987
Calumet (08)	4/1/2018	Kenosha (30)	4/1/1991	St. Croix (55)	4/1/1987
Chippewa (09)	4/1/1991	Kewaunee (31)	4/1/2017	Sauk (56)	4/1/1992
Clark (10)	1/1/2009	La Crosse (32)	4/1/1990	Sawyer (57)	4/1/1987
Columbia (11)	4/1/1989	Lafayette (33)	4/1/2001	Shawano (58)	4/1/1990
Crawford (12)	4/1/1991	Langlade (34)	4/1/1988	Sheboygan (59)	1/1/2017
Dane (13)	4/1/1991	Lincoln (35)	4/1/1987	Taylor (60)	7/1/1999
Dodge (14)	4/1/1994	Marathon (37)	4/1/1987	Trempealeau	10/01/95
Door (15)	4/1/1988	Marinette (38)	10/01/01	Vernon (62)	1/1/1997
Douglas (16)	4/1/1991	Marquette (39)	4/1/1989	Vilas (63)	4/1/1988
Dunn (17)	4/1/1986	Milwaukee (40)	4/1/1991	Walworth (64)	4/1/1987
Eau Claire (18)	1/1/1999	Monroe (41)	4/1/1990	Washburn (65)	4/1/1991
Florence (19)	7/1/2006	Oconto (42)	7/1/1994	Washington	1/1/1999
Fond du Lac	4/1/2010	Oneida (43)	4/1/1987	Waupaca (68)	4/1/1989
Forest (21)	4/1/1995	Ozaukee (45)	4/1/1991	Waushara (69)	4/1/1990
Grant (22)	4/1/2002	Pepin (46)	4/1/1991	Wood (71)	1/1/2004

There is no county sales and use tax in the following six Wisconsin counties.

Counties Without County Tax

Manitowoc (36)	Racine (51)	Winnebago (70)
Outagamie (44)	Waukesha (67)	Menominee (72)

The Wisconsin Department of Revenue administers the county tax. Retailers who make sales subject to the 0.5% county tax must collect 5.5% sales tax on their retail sales (5% state sales tax and 0.5% county sales tax).

Both the state tax and county tax are reported by retailers on their Form ST-12, Wisconsin Sales and Use Tax Return, filed with the Department of Revenue.

Retailers who report sales and purchases subject to county sales and use tax in more than four counties must complete and submit a separate Schedule CT with the Form ST-12 they file. Schedule CT lists all counties that have adopted the county tax.

The department, after receiving the county tax from retailers, then makes monthly distributions of the county tax revenues to the counties which adopted the tax.

Caution: All retailers that are registered in Wisconsin to collect and remit the 5% Wisconsin state sales and use tax are also required to collect and remit the applicable county and stadium sales and use taxes for any sales that occur in a county or stadium district that has adopted the applicable county or stadium sales or

use tax. This provision applies regardless of whether the retailer is "engaged in business" in the county or stadium district to which the sale takes place.

(2) Stadium Sales and Use Taxes

(a) Baseball Stadium Tax

A 0.1% baseball stadium tax is imposed on the sale of and the storage, use, or consumption of taxable products and services in the following five Wisconsin counties which make up the "baseball stadium district:"

- Milwaukee
- Ozaukee
- Washington
- Waukesha
- Racine

The baseball stadium tax was created for the purpose of assisting in the development of a professional baseball park in Wisconsin.

Retailers who make sales subject to the baseball stadium tax in Milwaukee, Ozaukee, and Washington counties will collect 5.6% sales tax on such retail sales (5% state sales tax, 0.5% county sales tax, and 0.1% baseball stadium sales tax).

Retailers who make sales subject to the baseball stadium tax in Racine and Waukesha counties will collect 5.1% sales tax on such retail sales (5% state sales tax and 0.1% baseball stadium sales tax).

Note: The Department of Transportation has the authority to issue special license plates to persons interested in expressing their support of a major league professional baseball team that uses as its home field baseball park facilities that are constructed under the local professional baseball park district. Any money distributed to the baseball park district from the sale of such plates must be used exclusively to retire the district's debt.

(b) Football Stadium Tax (ended September 30, 2015)

The 0.5% football stadium tax that was imposed on sales of taxable products and services in football

County ended on September 30, 2015.

For sales of taxable products, sales that occurred on October 1, 2015, and after are not subject to the football stadium tax. The sale occurs when the customer (or a person on behalf of the customer) receives the product.

For sales of taxable services, bills that are issued on or after October 1, 2015, are not subject to the football stadium tax, regardless of whether the service was furnished to the customer before October 1, 2015, or on or after October 1, 2015.

B. What Types of Products and Services Are Taxable?

The types of products and services that are subject to the 5% state sales and use tax are also subject to the 0.5% county or 0.1% baseball stadium sales and use taxes.

The county and stadium taxes may not be imposed on any types of products or services that are not subject to the 5% state tax. If products or services are exempt from the 5% state tax, they are also exempt from the 0.5% county and 0.1% baseball stadium taxes.

C. What Sales Are Subject to the County and Stadium Sales Tax?

The 0.5% county and 0.1% baseball stadium sales taxes are imposed on the sales price from retail sales, licenses, leases, or rentals of products and taxable services in a county with a county tax or in the baseball stadium district. For purposes of county and stadium sales tax, the location where a sale, license, lease, or rental takes place is provided in Part 7.C.

Note: Any retailer that is registered to collect and remit Wisconsin sales and use taxes must also collect and remit the applicable state, county, and/or stadium sales and use tax on its sales of motor vehicles, boats, snowmobiles, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, off-highway motorcycles, and aircraft, even if they are not "dealers" or "registered dealers" of the item sold. The sales price from the sale of such property should be reported on the retailer's sales and use tax return that it files with the Department of Revenue.

D. When Do the County and Stadium Use Taxes Apply?

(1) General

A 0.5 % county use tax and/or a 0.1% baseball stadium use tax is imposed on the sales price of products and services stored, used, or consumed in a county with a county tax or the stadium district. Exceptions to this tax treatment and special situations are explained in Part 18.D.(2) through (5), below.

(2) Exceptions

- No county or stadium use tax will be imposed if a receipt indicates that a county or stadium sales tax has been paid, except as provided in the parts titled "Contractors," "Motor Vehicles, Boats, Recreational Vehicles, and Aircraft," "Snowmobiles, Trailers, Semitrailers, All-Terrain Vehicles, Utility Terrain Vehicles, and Off-Highway Motorcycles" that follow.
- No county or stadium use tax will be imposed if the buyer purchased taxable products in a sale consummated in a Wisconsin county that does not have such tax and the product is later brought by the buyer into a county with a county and/or stadium tax, except as provided in the parts titled "Contractors," "Motor Vehicles, Boats, Recreational Vehicles, and Aircraft," "Snowmobiles, Trailers, Semitrailers, All-Terrain Vehicles, Utility Terrain Vehicles, and Off-Highway Motorcycles" that follow.
- If the buyer properly paid sales or use taxes in another state on the purchase of the taxable products or services, that tax may be credited against the state, county, and stadium use taxes due on the product.

  For additional information about credit for taxes paid to another state, see the tax release titled "Credit for Sales and Use Taxes Paid to Other States and Their Local Units of Government," which was published on pages 28-49 of *Wisconsin Tax Bulletin #157* (July 2008).

(3) Contractors

County use taxes are imposed upon a contractor engaged in construction activities in a county with a county tax. Stadium use taxes are imposed upon a contractor engaged in construction activities in a stadium district. In both cases, the tax is imposed on the sales price of taxable products that are used in constructing, altering, repairing, or improving real property and that becomes a component part of real property within the county and/or stadium district.

Sales and use tax paid in another state may be allowed as a credit in computing the Wisconsin county and stadium use taxes. For additional information about credit for taxes paid to another state, see the tax release titled " Credit for Sales and Use Taxes Paid to Other States and Their Local Units of Government," which was published on pages 28-49 of *Wisconsin Tax Bulletin #157* (July 2008).

If a contractor properly paid a county or stadium tax on the purchase of taxable products, the tax that was paid may be used as a credit against any additional Wisconsin county or stadium use tax owed on the purchase (e.g., county tax may be credited against football stadium tax).

Note: The football stadium tax ended September 30, 2015.

(4) Motor Vehicles, Boats, Recreational Vehicles, and Aircraft

(a) Sales - County and stadium use tax is imposed upon every motor vehicle, boat, recreational vehicle as defined in sec. 340.01(48r), Wis. Stats., and aircraft, if (a) that property must be registered or titled with the State of Wisconsin, and (b) that property is to be customarily kept in a county with a county tax and/or the stadium district.

(b) Leases

- Multiple payment leases of motor vehicles and aircraft – County and stadium district taxes are imposed based on where the motor vehicle or aircraft is customarily kept. **Note:** If the property is transportation equipment, the tax is imposed in the same manner as the second bullet. "Transportation equipment" is defined in sec. 77.522(1)(a)2., Wis. Stats.
- Multiple payment leases of boats and recreational vehicles – County and stadium district taxes are imposed on the first payment where the purchaser receives possession of the boat or recreational vehicle. The tax on the subsequent payments is based on where the boat or recreational vehicle is customarily kept.
- One payment leases of motor vehicles, boats, recreational vehicles, and aircraft – County and stadium district taxes are imposed based on where the purchaser receives possession of the property.

(5) Snowmobiles, Trailers, Semitrailers, All-Terrain Vehicles, Utility Terrain Vehicles, and Off-Highway Motorcycles

(a) Sales - County and stadium *sales* tax is imposed upon every sale of a snowmobile, trailer, semitrailer, all-terrain vehicle; utility terrain vehicle, or off-highway motorcycle that takes place in a county or stadium district that imposes the county and/or stadium tax, as explained in Part 18.C. County and/or stadium *use* tax is due if no county or stadium sales tax was paid on the purchase of the snowmobile, trailer, semitrailer, all-terrain vehicle, utility terrain vehicle, or off-highway motorcycle and the item is stored, used, or consumed in a county that imposes the county tax or in the stadium district. No county or stadium use tax is due if the purchaser has a receipt indicating that a county or stadium sales tax has been paid on the purchase of the item.

The chart in Appendix I shows the sales and use tax treatment of motor vehicles, boats, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., aircraft, snowmobiles, trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, and off-highway motorcycles.

(b) Leases

- Multiple payment leases of trailers and semitrailers – County and stadium district taxes are imposed based on where the trailer or semitrailer is customarily kept. **Note:** If the property is transportation equipment, the tax is imposed in the same manner as the second bullet. "Transportation equipment" is defined in sec. 77.522(1)(a)2., Wis. Stats.
- Multiple payment leases of snowmobiles, all-terrain vehicles, utility terrain vehicles, and off-highway motorcycles – County and stadium district taxes are imposed on the first payment where

the purchaser receives possession of the snowmobile, all-terrain vehicle, utility terrain vehicle, or off-highway motorcycle. The tax on the subsequent payments is based on where the boat or recreational vehicle is customarily kept.

- One payment leases of snowmobiles, trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, and off-highway motorcycles – County and stadium district taxes are imposed based on where the purchaser receives possession of the property.

E. Transitional Provisions

(1) Services and Leases, Rentals, and Licenses

In the event of an increase in the rate of a county or stadium tax, the sales price from the lease, rental, or license of taxable products and services is subject to the increase beginning with the first billing period starting on or after the effective date of the county ordinance or special district resolution, or rate increase, regardless of whether the service is furnished or the product is leased, rented, or licensed to the customer before or after that date.

In the event of a decrease in the rate of a county or stadium tax, the sales price from the lease, rental, or license of taxable products and services is subject to the increase beginning with bills rendered on or after the effective date of the repeal or sunset of a county ordinance or special district resolution imposing the tax or other rate decrease, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after that date.

(2) Sales of Taxable Products. (except construction materials used in real property construction – see 3. below)

Sales of taxable products before the effective date of the county or stadium tax are not subject to the county or stadium sales or use tax.

A sale takes place when the seller or the seller's agent transfers possession of the product to the buyer or the buyer's agent, regardless of when the product was paid for or ordered.

Example: On December 20, 2016, Individual places an order for an automobile with Dealership. The automobile is not available for delivery until January 15, 2017. Individual will pick up the vehicle from Dealership on January 16, 2017. If County (where Individual will customarily keep the automobile) adopts the county tax effective January 1, 2017, the sale of the automobile to Individual is subject to the County tax. The sale of the automobile will take place on January 16, 2017, when Individual receives possession, which is after the effective date of the County tax (January 1, 2017).

(3) Construction Materials

Sales of building materials to contractors engaged in the business of constructing, altering, repairing, or improving real estate for others are not subject to the county or stadium taxes if (1) the materials are affixed and made a structural part of real estate, and (2) the amount payable to the contractor is fixed without regard to the costs incurred in performing a written contract that was irrevocably entered into prior to the effective date of the county or stadium tax, or that resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before the effective date of the county or stadium tax.

F. Collecting County and Stadium Tax From Customers

Part 6 explains how the 5% state tax, 0.5% county tax, and 0.1% stadium tax are collected from customers.

Note: The football stadium tax ended September 30, 2015.

G. Sales and Use Tax Return Requires County and Stadium Tax Data

Retailers engaged in business in a county with a county tax or a stadium district must keep records showing the amount of their taxable receipts subject to sales tax and purchases subject to use tax for a stadium district and each county that has a county tax.

Retailers who report sales and purchases subject to county sales and use tax for four or less counties should fill in the first five letters of the counties and county codes with the appropriate sales and purchases for those counties on Form ST-12. **Exception:** Enter GLAKE for Green Lake County.

Retailers who report sales and purchases subject to county sales and use tax for more than four counties must complete and submit a separate Schedule CT with the Form ST-12 they file. Schedule CT lists all counties that have adopted the county tax.

H. Seller's Permits

No additional seller's permit is required by a retailer for the county and stadium taxes.

I. Audits, Appeals, Collections, Etc.

The Wisconsin Department of Revenue has authority to audit persons to determine if they reported and paid the correct county and stadium taxes, to impose interest and penalties related to such taxes, and to collect any unpaid county and stadium taxes. Interest rates on refunds and unpaid county and stadium taxes are the same as the rates that apply to the 5% state sales and use taxes. A county and stadium district may not intervene in any matter related to the audit, appeal, or collection of any county and stadium sales and use taxes.

19. YOU MAY BE AUDITED

If you are in business, an auditor from the Department of Revenue may visit you. Don't be alarmed, as many taxpayers are audited to determine if they paid the correct amount of income, corporate, withholding, and sales and use taxes.

You will be notified prior to any audit so that a convenient time can be arranged to examine your records. As a taxpayer, you are required to make available your records for sales and use tax as well as your records for other taxes. To perform the audit, it will be necessary for the auditor to examine these records. Don't hesitate to ask any questions of the auditor.

If the audit results show that you have not paid the proper amount of tax, the department will issue you a written notice indicating the amount of tax you owe or overpaid. You have the right to appeal if you disagree with the audit. The notice from the department will explain the procedures for appealing.

20. OTHER TAXES AND FEES TO BE AWARE OF

If you have business activities or earn income in Wisconsin, you also may be subject to Wisconsin taxes other than sales and use taxes. Although the information below is not intended to be all-inclusive, it may help you in obtaining information about other Wisconsin taxes.

A. Individual Income Tax

Every person who is a resident of Wisconsin and who has gross income of more than a certain amount is subject to Wisconsin income taxes, regardless of where the income is earned.

A person who is a nonresident of Wisconsin is subject to Wisconsin income taxes if he or she has gross income of $2,000 or more from personal services performed in Wisconsin or from business or property in Wisconsin.

For more information, email or write to: Wisconsin Department of Revenue, P.O. Box 8949, Madison, WI 53708-8949.

B. Corporation Income or Franchise Tax

Every corporation organized under the laws of Wisconsin or licensed to do business in Wisconsin (except certain organizations exempt under sec. 71.26(1), Wis. Stats.) is required to file a Wisconsin corporate franchise or income tax return, regardless of whether or not business was transacted. Unlicensed corporations are also required to file returns for each year they do business or have certain business activities in Wisconsin.

For more information, email or write to: Wisconsin Department of Revenue, P.O. Box 8906, Madison, WI 53708-8906.

C. Withholding

If an employer has employees in Wisconsin, the employer may be required to withhold Wisconsin income taxes from the employees' wages. An employer required to withhold must apply for a withholding registration certificate from the department.

For more information, email or write to: Wisconsin Department of Revenue, P.O. Box 8902, Madison, WI 53708-8902.

D. Estimated Tax for Individuals

Estimated income tax payments are required if you expect to owe $500 or more of income tax with your income tax return. The estimated tax requirement applies to full-year residents, part-year residents, and nonresidents. An interest charge may be imposed if you fail to make these payments.

For more information, email or write Wisconsin Department of Revenue, Mail Stop 3-164, P.O. Box 8903, Madison, WI 53708-8903 or call any department office. The Madison office telephone number is (608) 266-9940.

E. Estimated Tax for Corporations

Corporations must make estimated income or franchise tax payments if their current year tax liability will be $500 or more, unless they owed no tax for the previous twelve-month tax year.

For more information, email or write Wisconsin Department of Revenue, Mail Stop 3-138, P.O. Box 8906, Madison, WI 53708-8906 or call any department office. The Madison office telephone number is (608) 266-0800.

F. Unemployment and Worker's Compensation

For more information on these taxes write to: Wisconsin Department of Workforce Development, P.O. Box 7901, Madison, WI 53708-7901.

G. Motor Vehicle Alternate Fuel Tax

An alternate fuel tax is imposed on all compressed natural gas (CNG) fuel or liquid propane (LPG) placed into the supply tank of a motor vehicle. If you purchase CNG or LPG for heating and use this fuel in your truck or

automobile, you must obtain an Alternate Fuel Users License and pay the tax directly to the Department of Revenue.

If you sell or purchase alternate fuel and have questions about the alternate fuel tax, email or write to: Wisconsin Department of Revenue, Mail Stop 5-107, P.O. Box 8906, Madison, Wisconsin 53708-8900.

H. Local Exposition Taxes

Persons selling lodging, food, or beverages or renting automobiles in municipalities located wholly or partially in Milwaukee County are subject to local exposition taxes. For more information, see Publication 410, *Local Exposition Taxes*.

I. Dry Cleaner Fees

Any person operating a dry cleaning facility in Wisconsin is subject to dry cleaning fees. Dry cleaner fees are due in installments payable on or before April 25, July 25, October 25, and January 25. The amounts must be equal to 2.8% of the previous three months' gross receipts from dry cleaning apparel and household fabrics, but not from formal wear that the facility rents to the general public. In addition, a fee of $5 per gallon of perchloroethylene sold, and $0.75 per gallon of any other dry cleaning product sold, is imposed.

For more information, contact the Department of Revenue in Madison. See Part 22.

J. Police and Fire Protection Fees

Every communications provider and retailer required to impose the police and fire protection fee must register with the Department of Revenue to report and remit the fees.

Communications providers are required to impose a monthly fee of $0.75 on each communications service connection with an assigned telephone number, including a communication service provided via a Voice over Internet Protocol connection. Communications providers and other retailers who sell prepaid wireless telecommunications plans, such as a $15 card for a prepaid wireless account, are subject to the $0.38 fee on each retail transaction for prepaid wireless telecommunications plans.

The fees will be reported to the Department of Revenue on an electronic return on a monthly basis through the Department of Revenue's My Tax Account system. Returns will be due and payable on the last day of the month following the month in which the fees were collected.

For additional information, see the Department of Revenue's web page for the Police and Fire Protection Fee.

K. Premier Resort Area Taxes

Persons selling taxable products or services in the Village of Lake Delton, the City of Wisconsin Dells, the City of Bayfield, the City of Eagle River, the Village of Stockholm, the City of Rhinelander, and the Village of Sister Bay, are subject to the premier resort area tax on such sales if the persons are classified in the Standard Industrial Classification manual (1987 Edition) under certain numbers.

The rate of the premier resort area tax for the City of Bayfield, the City of Eagle River, the Village of Stockholm (effective October 1, 2014), the City of Rhinelander (effective January 1, 2017), and the Village of Sister Bay (effective July 1, 2018) is 0.5%.

The rate of the premier resort area tax for the City of Wisconsin Dells and the Village of Lake Delton is 1.25%. Prior to July 1, 2014, the rate of the premier resort area tax for the City of Wisconsin Dells and the Village of Lake Delton was 1.0%.

For more information, see Publication 403, *Premier Resort Area Taxes*.

L. Rental Vehicle Fee

Persons primarily engaged in the business of short-term rentals of vehicles without drivers are subject to a 5% rental vehicle fee on rentals in Wisconsin of Type 1 automobiles, recreational vehicles, motor homes, and camping trailers for periods of 30 days or less.

Persons providing limousines with drivers in Wisconsin are subject to a 5% limousine fee.

Refer to Wisconsin Publication 202, *Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs*, for more information. If you have questions about the rental vehicle fee or limousine fee, write or call the Wisconsin Department of Revenue, P.O. Box 8949, Madison, WI 53708-8949 (telephone (608) 266-2776).

21. KEEPING AWARE OF NEW SALES AND USE TAX DEVELOPMENTS

If you are required to file sales and use tax returns, you should be aware of changes in the tax laws, new interpretations, and court cases which may affect how you file returns and compute the tax. Informational aids available to you include:

A. Sales and Use Tax Report

The *Sales and Use Tax Report* is no longer being published. The Department of Revenue published this report from June 1968 through December 2015. General information about sales and use tax, including new tax laws enacted by the legislature is included in the *Wisconsin Tax Bulletin*. All past reports are available on the department's website.

B. Publications and Fact Sheets

You may obtain the following sales and use and other local tax publications and fact sheets:

Publications

No.	Title
200	Electrical Contractors
202	Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs
203	Sales and Use Tax Information for Manufacturers
204	Sales and Use Tax Information for Colleges, Universities, and Technical Colleges
206	Sales Tax Exemptions for Nonprofit Organizations
207	Sales and Use Tax Information for Contractors
209	Sales and use Tax Information for Wisconsin Counties and Municipalities
210	Sales and Use Tax Treatment of Landscaping
211	Cemetery Monument Dealers
216	Filing Claims for Refund of Sales or Use Tax
217	Auctioneers
219	Hotels, Motels, and Other Lodging Providers
220	Grocers

221 Farm Suppliers and Farmers
222 Motor Vehicle Fuel Users: Do You Owe Use Tax?
223 Bakeries
224 Veterinarians
225 Beauty and Barber Shops
226 Golf Courses
228 Temporary Events
229 Brackets for Collecting Wisconsin Sales or Use Tax Paid on Retail Sales
230 Sales and Use Tax Information for Sellers of Antiques, Crafts, and Artwork
231 Manufactured and Modular Homes
232 Dentists
233 Newspaper Publishers
234 Printers
235 Advertising Companies
236 Restaurants and Bars
239 Campgrounds
240 Digital Goods
244 Hunting Preserves and Gun Clubs
245 Schools
246 Funeral Homes
247 Commercial Radio and Television Stations
248 Hospitals and Medical Clinics
403 Premier Resort Area Tax
405 Wisconsin Taxation of Native Americans
410 Local Exposition Taxes
411 Disaster Relief

Fact Sheets

No.	Title
2101-1	Exemption for Qualified Research From January 1, 2012 Through July 1, 2013
2101-2	Exemption for Qualified Research On and After July 2, 2013
2102	Exemptions Relating to Raising Animals Sold for Use in Qualified Research and Manufacturing
2103-1	Native American Tribes
2103-2	Sales to Native American Tribal Members
2104	Use Tax
2105	Chambers of Commerce – Sales and Use Tax Examples

2106	Occasional Sale Exemption for Nonprofit Organizations
2107	Rentals of Multipurpose Facilities
2108	Car Wash Services
2109	Massage Therapy
2110	Occasional Sales of Business Assets

C. Forms

You may obtain the following sales and use tax and other forms from any Department of Revenue office or at revenue.wi.gov/html/formpub.html.

No.	Title
BTR-101	Application for Business Tax Registration and Instructions
ST-12	Wisconsin Sales and Use Tax Return
UT-5	Consumer's Use Tax Return
Schedule CT	County Sales and Use Tax Schedule
S-240	Wisconsin Temporary Event Operator and Seller Information
S-213	Sales and Use Tax Bracket System
S-218	Sales & Use Tax Bracket Chart
S-220	Form BCR, Buyer's Claim for Refund
S-211	Wisconsin Sales and Use Tax Exemption Certificate
S-103	Application for Wisconsin Sales and Use Tax Certificate of Exempt Status
S-101	Application for Direct Pay

Additional information about certain forms, including detailed descriptions, can be found in Appendix A.

D. Wisconsin Tax Bulletin

The *Wisconsin Tax Bulletin* is a quarterly publication of the Department of Revenue, which is available on the department's website. The Bulletin includes information on most taxes administered by the Department of Revenue, including sales and use, income, franchise, and excise taxes. It includes up-to-date information on new tax laws, interpretations of existing laws, and information on filing returns. It also gives brief excerpts of major Wisconsin tax cases decided by the Wisconsin Tax Appeals Commission and the courts.

Notification of new bulletins will be sent to subscribers of the sales and use tax electronic mail list. See Part 21.G.

E. Rules – Wisconsin Administrative Code

The *Wisconsin Administrative Code* includes administrative rules that interpret the Wisconsin Statutes. Rules have the force and effect of law. The Department of Revenue has adopted a number of rules pertaining to sales and use tax. A list of sales and use tax rules is found in Appendix B. Rules in progress by the department, including the status of those rules, is found on the department's website. You may also subscribe to the department's administrative rules electronic mail list to receive updates and notifications of rules in progress, such as notices of public hearings and comment periods.

The Department of Administration no longer offers its subscription service for printed updates. If you would like to be notified of changes, see Electronic Notification of Administrative Code and Register Publication.

F. Topical and Court Case Index

The *Topical and Court Case Index* is a two-part index. The first part (a Topical Index) will help you find the particular Wisconsin statute, administrative rule, Wisconsin Tax Bulletin tax release, publication, private letter ruling, or Attorney General opinion that deals with your particular tax question. The second part of the index (a Court Case Index) lists Wisconsin Tax Appeals Commission, Circuit Court, Court of Appeals, and Wisconsin Supreme Court decisions relating to your question

G. Electronic Mail Lists

The Department of Revenue has several electronic mailing lists available to the public. The goal is to provide communication from the department to list members on information and news specific to the respective list they have signed up for.

22. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE?

If you are unable to find an answer to your question about sales and use taxes, email, write, or call the department.

Visit our website: revenue.wi.gov

Email: DORSalesandUse@wisconsin.gov

Write: Mail Stop 5-77
Wisconsin Department of Revenue
P.O. Box 8949
Madison, WI 53708-8949

Telephone: (608) 266-2776

Fax: (608) 267-1030

You may also contact any of the Department of Revenue offices. For a listing of offices and their current hours, please see the department's website.

23. BUSINESS DEVELOPMENT ASSISTANCE – WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

If you have questions about what other permits may be needed for your business, or need assistance in obtaining a permit, check the Wisconsin Economic Development Corporation's website for information about Business Development and Entrepreneurs.

APPENDIX A

SALES AND USE TAX FORMS

The forms and certificates listed below pertain to Wisconsin sales and use taxes. The number in parenthesis after the title is the form number. Copies of these forms may be obtained from any Department of Revenue office, by calling (608) 266-1961, from the Department of Revenue's website or by writing Wisconsin Department of Revenue, P.O. Box 8949, Madison, WI 53708-8949.

A. SALES/USE TAX RETURNS FILED WITH DEPARTMENT OF REVENUE OR ANOTHER STATE AGENCY

- **Wisconsin Sales and Use Tax Return** – Form ST-12 (S-012) - filed by a person who has a seller's permit, use tax certificate or consumer's use tax certificate and has received a waiver from filing an electronic return (see Part 8.A.). Also used as an amended return to correct an error on a Form ST-12 previously filed with the Department of Revenue.
- **Consumer Use Tax Return** – Form UT-5 (SU-050) - filed with Department of Revenue by a person who is not required to be registered for consumer's use tax.
- **Buyer's Claim for Refund of Wisconsin State, County and Stadium Sales Taxes** (Form BCR) - filed with the Department of Revenue by a person who paid sales or use tax in error to a seller. A Buyer's Claim for Refund may also be filed electronically on the department's website.
- **Aircraft Registration Application** (DT-1556) - filed with Department of Transportation by a Wisconsin aircraft dealer and by a person who purchases an airplane from someone who is not a dealer or from a seller located outside Wisconsin.
- **Application for Title/Registration** (MV-1) - filed with Department of Transportation by a Wisconsin motor vehicle dealer, and by a person who purchases a motor vehicle, mobile home, trailer, or semitrailer from a person who is not a Wisconsin dealer, as evidence that state and/or county sales tax has been paid or that the vehicle is exempt from tax.
- **Application for Title/Registration** (9400-193, 9400-210, 9400-376, and 9400-609) - filed with Department of Natural Resources by a person who purchases a boat, snowmobile, all-terrain vehicle, utility terrain vehicle, or off-highway motorcycle from someone who is not a dealer, or from a seller located outside Wisconsin.

B. EXEMPTION CERTIFICATES GIVEN TO SELLER BY BUYER

- **Wisconsin Sales and Use Tax Exemption Certificates**

  Form S-211, S-211E, and Form S-211-SST are used by buyers when purchasing property or services which are for resale or for which an exemption applies.

  Wisconsin's electronic exemption certificate (S-211E) allows you to customize your exemption certificate to fit your needs.

  Note: Form S-211 is an expanded exemption certificate that replaces Forms S-016, S-017, S-205, S-206, S-207, S-207m, and S-209. Although these forms are no longer printed and distributed by the department, they are still valid as proof of exempt sales if properly completed and taken in good faith.

- **Construction Contract Entered Into Before Effective Date of County Tax** (Form S-207CT) - used by buyer (contractor) when purchasing materials under a written contract entered into prior to the date the county tax went into effect, allowing the buyer to purchase the materials without the 0.5% county sales tax.

C. OTHER FORMS

- **Application for Business Tax Registration** (BTR-101) - filed by a person applying for a seller's permit, use tax certificate, consumer's use tax certificate or employer's withholding registration.
- **Application for Certificate of Exempt Status** (Form S-103) - filed by a federal or Wisconsin governmental unit or a nonprofit religious, charitable, scientific, or educational organization which qualifies to purchase items exempt from tax.
- **Seller's Permit** - issued by Department of Revenue to a person who has been approved as a seller of tangible personal property or taxable services. See the *Sales and Use Tax Permits Common Questions*.
- **Sales and Use Tax Clearance Certificate** - issued by Department of Revenue to a purchaser (successor) of a business certifying that the seller of the business owes no sales and use tax. See the *Successor Liability and Clearance Certificates Common Questions*.

APPENDIX B

SALES AND USE TAX RULES – WISCONSIN ADMINISTRATIVE CODE

Listed below are sales and use tax rules in effect as of January 1, 2019. You may request that the Department of Administration notify you electronically of changes to the register. See Electronic Notification of Administrative Code and Register Publication. The rules are also available for viewing on the Revisor of Statutes website.

Emergency Rules are also effective for Statistical Sampling Criteria and Out-of-State Retailers.

Tax 11.001 Forward and definitions.

Tax 11.002 Registration.

Tax 11.01 Sales and use tax, local exposition tax, and premier resort area tax return forms.

Subchapter II — Exempt Entities

Tax 11.03 Schools and related organizations.

Tax 11.04 Constructing buildings for exempt entities.

Tax 11.05 Governmental units.

Subchapter III — Exemptions

Tax 11.08 Durable medical equipment, mobility-enhancing equipment, and prosthetic devices.

Tax 11.09 Drugs.

Tax 11.10 Wind, solar, and certain gas powered products.

Tax 11.11 Utility, industrial and governmental waste treatment facilities.

Tax 11.12 Farming, including dairy farming, agriculture, horticulture, floriculture, silviculture, and custom farming services.

Tax 11.13 Direct pay.

Tax 11.14 Exemption certificates.

Tax 11.15 Containers and other packaging and shipping materials.

Tax 11.16 Common or contract carriers.

Tax 11.17 Hospitals, clinics and medical professions.

Tax 11.18 Dentists and their suppliers.

Tax 11.19 Printed material exemptions.

Tax 11.20 Property used in qualified research and property used to raise research animals.

Subchapter IV — Sales Price

Tax 11.26 Other taxes, fees, and charges in taxable sales price and purchase price.

Tax 11.27 Maintenance contracts, insurance, and warranties.

Tax 11.28 Gifts and other advertising specialties.

Tax 11.29 Leases, licenses and rentals of tangible personal property and items, property and goods under s. 77.52 (1) (b), (c), and (d), Stats.

Tax 11.30 Credit sales, bad debts and repossessions.

Tax 11.32 "Sales price" and "purchase price."

Subchapter V — Occasional Sales

Tax 11.33 Occasional sales.

Tax 11.34 Occasional sales exemption for sale of a business or business assets.

Tax 11.35 Occasional sales by nonprofit organizations.

Subchapter VI — Manufacturers and Producers

Tax 11.38 Fabricating, processing, and printing.

Tax 11.39 Manufacturing.

Tax 11.40 Exemption of machines and processing equipment.

Tax 11.41 Exemption of property and items consumed or destroyed in manufacturing.

Tax 11.42 Fertilizer blending, feed milling, and grain drying operations.

Subchapter VII — Types of Retailers

Tax 11.45 Sales by pharmacies and drug stores.

Tax 11.46 Summer camps.

Tax 11.47 Commercial photographers and photographic services.

Tax 11.48 Landlords, hotels and motels.

Tax 11.49 Service stations and fuel oil dealers.

Tax 11.50 Auctions.

Tax 11.51 Grocers' guidelist.

Tax 11.52 Coin-operated vending machines and amusement devices.

Tax 11.53 Temporary events.

Tax 11.535 Operators of a swap meet, flea market, craft fair, or similar event.

Tax 11.54 Temporary amusement, entertainment, or recreational events or places.

Tax 11.55 Agents, consignees, lienors, and brokers.

Tax 11.56 Printing industry.

Tax 11.57 Utilities.

Subchapter VIII — Service Enterprises

Tax 11.61 Veterinarians and their suppliers.

Tax 11.62 Barber or beauty shop operator.

Tax 11.63 Radio and television stations.

Tax 11.64 Background music.

Tax 11.65 Admissions.

Tax 11.66 Telecommunications and telecommunications message services.

Tax 11.67 Service enterprises.

Tax 11.68 Construction contractors.

Tax 11.69 Financial institutions.

Tax 11.70 Advertising agencies.

Tax 11.71 Computer industry.

Tax 11.72 Laundries, dry cleaners, and linen and clothing suppliers.

Subchapter IX — Types of Tangible Personal Property and Items, Property, and Goods Under s. 77.52 (1) (b), (c), and (d), Stats.

Tax 11.78 Stamps, coins, and bullion.

Tax 11.79 Leases of highway vehicles and equipment.

Tax 11.80 Sales of ice.

Tax 11.81 Industrial gases, welding rods, fluxing materials, and fuels.

Tax 11.82 Mailing lists and mailing services.

Tax 11.83 Motor vehicles.

Tax 11.84 Aircraft.

Tax 11.85 Boats, vessels, and barges.

Tax 11.86 Utility transmission and distribution lines.

Tax 11.87 Prepared food, food and food ingredients, and soft drinks.

Tax 11.88 Manufactured homes, mobile homes, modular homes, and recreational vehicles.

Subchapter X — Administrative Provisions

Tax 11.90 Penalty for failure to produce records under s. 77.61 (19), Stats.

Tax 11.91 Successor's liability.

Tax 11.92 Records and record keeping.

Tax 11.925 Sales and use tax security deposits.

Tax 11.93 Annual filing of sales tax returns.

Tax 11.94 Delivery charges.

Tax 11.945 Sourcing transactions.

Tax 11.95 Retailer's discount.

Tax 11.96 Delivery of ordinance or resolution; county, stadium, and premier resort area tax.

Tax 11.97 "Engaged in business" in Wisconsin.

Tax 11.98 Reduction of delinquent interest rate under s. 77.62, Stats.

Tax 11.985 Bundled transactions.

APPENDIX C

SECTION TAX 11.92 - RECORDS AND RECORD KEEPING

Tax 11.92 Records and record keeping. (1) GENERAL. All persons selling, licensing, leasing, or renting tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d), Stats., or taxable services and every person storing, using, or otherwise consuming in Wisconsin tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), Stats., or taxable services shall keep adequate and complete records so that they may prepare complete and accurate tax returns. These records shall include the normal books of account ordinarily maintained by a prudent business person, together with all supporting information such as beginning and ending inventories, records of purchases and sales, cancelled checks, bills, receipts, invoices which shall contain a posting reference, cash register tapes, credit memoranda which shall carry a reference to the document evidencing the original transaction or other documents of original entry which are the basis for the entries in the books of account, and schedules used in connection with the preparation of tax returns. These records shall show:

(a) The sales price from sales of tangible personal property, items, property, and goods under s. 77.52 (1) (b), (c), and (d), Stats., and taxable services, or licenses, rentals, or leases of tangible personal property and items, property, and goods under s. 77.52 (1) (b), (c), and (d), Stats., including any services that are a part of the sale, license, lease, or rental sourced to Wisconsin under s. 77.522, Stats., even if the seller, licensor, or lessor regards the receipts as taxable or nontaxable. Taxable receipts shall be reported on the accrual basis, except when the department is satisfied that an undue hardship would exist and authorizes reporting on some other basis.

(b) The basis for all deductions claimed in filing returns, including exemption certificates obtained from customers. Exempt sales to governmental units and public schools need not be supported by exemption certificates, if the supplier retains a copy of the exempt entity's purchase order and the supplier's invoice or billing document. Sales to organizations holding a certificate of exempt status, CES, including religious or charitable organizations, can be shown to be exempt by recording the CES number on the seller's copy of the bill of sale. Except as provided in this paragraph and ss. 77.52 (13) and 77.53 (10), Stats., exempt sales shall be supported by an exemption certificate retained by the seller and paper certificates shall also be signed by the purchaser. Documents necessary to support claimed exemptions from tax liability, such as bills of lading and purchase orders, shall be maintained in a manner in which they readily can be related to the transaction for which exemption is sought.

(c) Total purchase price of all tangible personal property, items, property, and goods under s. 77.52 (1) (b), (c), and (d), Stats., and taxable services purchased for sale, license, lease, rental, storage, use, or other consumption in Wisconsin.

(d) Every person subject to the county or stadium sales and use tax shall keep a record of sales that the person makes that are sourced under s. 77.522, Stats., to each:

1. County that has in effect an ordinance imposing a county tax under s. 77.70, Stats.

2. Stadium district that has in effect a resolution imposing the tax under s. 77.705 or 77.706, Stats.

(e) Every person shall keep a record of the purchase price of property, items, and goods on which the person is subject to county and stadium use or excise tax in each enacting county or stadium district's jurisdiction.

(2) MICROFILM RECORDS. Microfilm, including microfiche, reproductions of general books of account, such as cash books, journals, voucher registers and ledgers, and supporting records of detail shall be acceptable if the following conditions are met:

(a) Appropriate facilities are provided for preservation of the films for periods required.

(b) Microfilm rolls are indexed, cross referenced, labeled to show beginning and ending numbers or beginning and ending alphabetical listing of documents included, and are systematically filed.

(c) Transcriptions are provided for any information contained on microfilm which may be required for purposes of verification of tax liability.

(d) Proper facilities are provided for the ready inspection and location of the particular records, including adequate projectors for viewing and copying the records.

(3) RECORDS PREPARED BY AUTOMATED DATA PROCESSING (ADP) SYSTEMS. An automatic data processing, ADP, tax accounting system shall have the capability of producing visible and legible records which will provide the following necessary information for verification of the taxpayer's tax liability:

(a) *Recorded or reconstructible data.* ADP records shall provide an opportunity to trace any transaction back to the original source or forward to a final total. If detailed printouts are not made of transactions at the time they are processed, then the system must have the ability to readily reconstruct these transactions.

(b) *General and subsidiary books of account.* A general ledger, with source references, shall be written out to coincide with financial reports for tax reporting periods. Where subsidiary ledgers are used to support the general ledger accounts, the subsidiary ledgers shall also be written out periodically.

(c) *Audit trail and supporting documents.* The audit trail shall be designed so that the details underlying the summary accounting data may be identified and made available to the department upon request. The record keeping system should be so designed that supporting documents, such as sales invoices, purchase invoices, exemption certificates, and credit memoranda, shall be readily available.

(d) *Program documentation.* A written description of the ADP portion of the accounting system shall be available. Important changes, together with their effective dates, shall be noted in order to preserve an accurate chronological record. The statements and illustrations as to the scope of operations shall be sufficiently detailed to indicate:

1. The application being performed.

2. The procedures employed in each application.

3. The controls used to ensure accurate and reliable processing.

(4) RECORDS RETENTION. The records shall be preserved and retained for the 4-year period open to audit under s. 77.59 (3), Stats. If any agreement is entered into to extend the 4-year audit period, the records shall be preserved for that extended period. If a notice of tax determination has been issued to the taxpayer by the department and if the taxpayer files a petition for redetermination, the records for the period covered by the notice of the tax determination shall be preserved and retained until the tax redetermination has been finally resolved.

(5) EXAMINATION OF RECORDS. All records described in this section shall be made available for examination by the department at its request.

(6) FAILURE TO MAINTAIN RECORDS. In the absence of suitable and adequate records, the department may determine the amount of tax due by using any information available, whether obtained from the taxpayer's records or from any other source. Failure to maintain and keep complete and accurate records may result in penalties or other appropriate action provided by law, including the disallowance of deductions, credits, and exemptions and the inclusion of additional taxable sales or additional taxable purchases to which the requested records relate.

(7) PENALTIES.

(a) If the department has given notice to a person to keep certain sales and use tax records, and thereafter additional sales or use taxes are assessed on the basis of information not contained in the records, the department shall impose a penalty equal to 25% of the amount of sales or use tax assessed. This is in addition to all other penalties provided by law.

(b) If a person fails to produce records or documents that were requested by the department, as provided under ss. 73.03 (9) and 77.59 (2), Stats., the penalties under s. 77.61 (19), Stats., may be imposed. See s. Tax 11.90 for additional information relating to these penalties.

Note: Section Tax 11.92 interprets ss. 77.52 (13), 77.58 (6m), 77.60 (8), 77.61 (4) (a) and (9), and 77.75, Stats.

Note: The interpretations in this s. Tax 11.92 are effective under the general sales and use tax law on and after September 1, 1969, except: (a) The 25% penalty in sub. (7) became effective July 20, 1985, pursuant to 1985 Wis. Act 29; and (b) The change of the term "gross receipts" to "sales price" and the separate impositions of tax on coins and stamps sold above face value under s. 77.52 (1) (b), Stats., certain leased property affixed to real property under s. 77.52 (1) (c), Stats., and digital goods under s. 77.52 (1) (d), Stats., became effective October 1, 2009, pursuant to 2009 Wis. Act 2.

History: Cr. Register, July, 1977, No. 259, eff. 8-1-77; emerg. cr. (1) (d), eff. 3-24-86; cr. (1) (d), Register, October, 1986, No. 370, eff. 11-1-86; am. (1) (intro.), (a), (b) and (c), (2) (intro.), (3) (intro.) and (c) and (4), cr. (7), Register, June, 1991, No. 426, eff. 7-1-91; EmR0924: emerg. am. (1) (intro.) to (c), (2) (b), (3) (c) and (6), renum. (1) (d) to be (1) (d) (intro.) and am., cr. (1) (d) 1. to 3. and (e) eff. 10-1-09;CR 09-090: am. (1) (intro.) to (c), (2) (b), (3) (c) and (6), renum. (1) (d) to be (1) (d) (intro.) and am., cr. (1) (d) 1. to 3. and (e) Register May 2010 No. 653, eff. 6-1-10; CR 10-094: renum. (7) to be (7) (a), cr. (7) (b) Register November 2010 No. 659, eff. 12-1-10; CR 12-014: am. (1) (b), (d) (intro.), r. (1) (d) 3., am. (1) (e) Register August 2012 No. 680, eff. 9-1-12.

APPENDIX D

SECTION TAX 11.14 - EXEMPTION CERTIFICATES

Tax 11.14 Exemption certificates. (1) Statutes. The sales tax status of exemption certificates is contained in s. 77.52 (13) to (17), Stats., and the use tax status of exemption certificates is contained in s. 77.53 (10) to (13), Stats.

(2) GENERAL.

(a) Exemption certificates are given to sellers or lessors by purchasers or lessees to verify that a transaction is exempt from Wisconsin sales and use taxes. Sellers and lessors shall exclude from the taxable sales price those transactions for which they have accepted a valid exemption certificate from the purchaser. The following sales and use tax exemption certificates may be used in Wisconsin:

1. Wisconsin sales and use tax exemption certificate, form S-211. This is a multipurpose form which may be used for any Wisconsin sales and use tax exemption provided by law, except as provided in sub. (14). For direct pay, form S-211 may be used as the document described in s. Tax 11.13 (5) (a) 2. if all of the required information is included on the form S-211.

2. Construction contract entered into before the effective date of county/stadium tax, form S-207CT-1. This is a certificate which may be used by a contractor to purchase building materials without a county or stadium tax under the circumstances described in sub. (13).

3. Streamlined Sales and Use Tax Exemption Certificate, SSTGB Form F0003 or Streamlined Sales and Use Tax Exemption Certificate - Wisconsin, Form S-211-SST. These are multistate forms which may be used to claim any sales or use tax exemption provided under Wisconsin law. Since these are multistate exemption certificates, purchasers should use caution when issuing these certificates, since they contain various exemptions that are not applicable in Wisconsin and only apply in other states. Purchasers are responsible for knowing if they qualify for the exemption they are claiming in the state in which the exemption is being claimed. The purchaser will be held liable for any tax, interest, and penalties that result from the purchaser claiming an exemption for which they were not eligible.

(b) Use of an exemption certificate designed by the department is not required by law. A person may use a substitute exemption certificate if it contains all the essential information relating to the transaction and if it is in a form approved by the department. Paper exemption certificates must be signed by and bear the name and address of the purchaser, the name and address of the seller, a general description of the purchaser's business and the reason for the claimed exemption. An electronic exemption certificate shall contain the same information as a paper exemption certificate, except that a signature is not required.

(c) If a purchaser provides an exemption certificate indicating that the property, item, good, or service purchased will be used for activities or under circumstances which make the purchase of the property, item, good, or service exempt from the sales tax or for resale, and the property, item, good, or service is subsequently used by the purchaser in a manner that makes the property, item, good, or service ineligible for exemption from tax, the purchaser is liable for payment of the applicable sales or use tax.

(3) EFFECT OF OBTAINING CERTIFICATE.

(a) Except as provided in par. (b), a seller is relieved of liability for the tax if the seller obtains from the purchaser, prior to the date of the sale or within 90 days after the date of the sale, a fully completed exemption certificate which indicates that the purchaser will use the property or service in a manner that is exempt from Wisconsin sales and use tax.

A seller is not relieved of its liability to collect and remit the applicable Wisconsin sales or use tax on a sale to a purchaser if any of the following apply:

1. The seller fraudulently fails to collect the sales or use tax.

2. The seller solicits the purchaser to claim an unlawful exemption.

3. The seller accepts an exemption certificate from a purchaser claiming to be an entity that is not subject to sales and use taxes, if both of the following apply:

a. The subject of the transaction covered by the exemption certificate is received by the purchaser at the seller's Wisconsin location.

b. The exemption certificate clearly and affirmatively indicates that the claimed exemption is not available in Wisconsin.

Note: All retailers should be familiar with the instructions contained in an exemption certificate.

(4) FAILURE TO OBTAIN CERTIFICATE.

(a) A seller who does not obtain an exemption certificate as provided in sub. (3) (a), shall be relieved from liability for the tax if, no later than 90 days after the sale, the seller captures and maintains all of the following data elements in its accounting system, with respect to the transaction upon which an exemption is being claimed:

1. Name and business address of the purchaser.

2. Purchaser's state tax identification number and state of issue. If the purchaser does not have a state tax identification number then the purchaser's federal employer identification number is needed. If the purchaser does not have a federal employer identification number then the purchaser's personal driver's license number and state of issue is needed.

3. Purchaser's type of business.

4. The reason for the claimed exemption.

(b) If a seller does not obtain an exemption certificate as provided in sub. (3) (a) or the relevant data elements provided in par. (a), the seller may, within 120 days after it is requested by the department to substantiate a claimed exemption, either obtain, in good faith, a fully completed exemption certificate from the purchaser; or by some other means provide proof that the transaction was not subject to Wisconsin sales or use tax. If a seller cannot prove that a transaction was exempt by one of these methods, the seller is not relieved from liability for the tax, interest, or penalties.

(c) **1.** A seller accepts an exemption certificate as provided in sub. (4) (b) in good faith if all of the following apply:

a. The exemption claimed was authorized by law on the date of the transaction in the jurisdiction to which the transaction is sourced.

b. The exemption could be applicable to the property, item, good, or service being purchased.

c. The exemption being claimed is reasonable for the purchaser's type of business.

2. If a seller obtains the information in subd. 1., the seller is relieved of its liability for the tax unless it is discovered through the audit process that the seller had knowledge or reason to know at the time the information relating to the exemption was provided that the information was materially false or the seller otherwise knowingly participated in an activity intended to purposefully evade the tax that is properly due on the transaction.

(5) CONTINUOUS CERTIFICATES.

(a) Continuous or blanket exemption certificates do not expire and need not be renewed at any prescribed interval. However, they should be renewed at reasonable intervals in case of a business change, registration number change, or discontinuance of the specific business claiming the exemption. The seller should periodically review exemption certificates on file to ascertain that the person claiming the exemption is the person who furnished the certificate.

(b) If a purchaser provides a continuous or blanket exemption certificate, the purchaser may not issue "this time only" purchase orders or similar documents cancelling the continuous or blanket exemption certificate for the one transaction only. In addition, the notation "taxable" on a purchase order is not sufficient to relieve a purchaser of the responsibility for a previously issued continuous or blanket certificate. The seller is not liable for the tax on transactions covered by a valid exemption certificate. If a purchaser does not want a continuous or blanket exemption certificate to

apply, it must notify the seller in writing that it is rescinding a previously issued continuous or blanket exemption certificate.

(6) RESALE.

(a) *Effect of obtaining exemption certificate claiming resale.* **1.** The burden of proving that a sale of property, items, goods, or services is not at retail is upon the seller unless the seller accepts an exemption certificate from the purchaser as provided in sub. (3) (a) or captures and maintains the data elements as required in sub. (4) (a) that indicate the property, item, good, or service is purchased for resale. Obtaining the certificate or capturing and maintaining the data elements that indicate the property, item, good, or service is purchased for resale, relieves the seller from liability for the sales tax and the duty of collecting the use tax.

2. If a purchaser gives an exemption certificate as provided in sub. (3) (a) or provides the data elements described in sub. (4) (a), claiming resale for property, item, good, or service acquired and then makes any storage or use of the property, item, good, or service other than retention, demonstration, or display while holding it for sale, lease, license, or rental in the regular course of business, the storage or use is taxable to the purchaser as of the time the property, item, good, or service is first stored or used. The sales tax shall be reported and paid by the purchaser with the tax return for the period in which the property, item, good, or service is first so stored or used.

(b) *Contents of exemption certificates claiming resale.* An exemption certificate claiming resale shall contain the following information for the seller to be relieved from the burden of proving the sale of property or services was not a taxable sale:

1. The name, address, and signature of the purchaser, except that if the exemption certificate is received electronically, a signature is not required.

2. A general description of the purchaser's business.

3. The basis for the claimed exemption including the seller's permit number of the purchaser, except that:

a. A wholesaler who sells only to other sellers for resale may insert "wholesale only" in the space for a seller's permit number.

b. A person registered as a seller in another state, who makes no retail sales in Wisconsin, may insert the name of the state in which registered and the permit number issued to the person by that state.

c. A person who makes exempt sales only in the regular course of business may insert the words "exempt sales only" in the space for a seller's permit number.

(7) MANUFACTURING EXEMPTION. **(a)** A supplier who accepts a fully completed exemption certificate claiming a manufacturing exemption marked for "continuous" use may make sales to the manufacturer without collecting the tax if the nature of the property, items, or services sold qualifies for one of the exempt uses claimed by the manufacturer on the form. If an exemption certificate is a "continuous" form, each purchase order of the manufacturer shall refer to it. If an individual order contains both exempt and non-exempt purchases, the purchaser shall designate which items are taxable.

(b) If the manufacturer uses "single purchase" certificates, it may print these as an integral part of its purchase orders, as long as the essential information on the approved form is retained.

(8) FARMER'S EXEMPTION. A retailer shall have a signed exemption certificate for every exempt sale made to a farmer, except that if the exemption certificate is received electronically, a signature is not required.

Note: Section Tax 11.12 describes the types of property, items, goods, and services which may be sold to farmers without tax, and the use of the exemption certificate to claim farming exemptions.

(9) EXEMPTION FOR FUEL OIL, PROPANE, COAL, STEAM, AND WOOD FOR FUEL FOR RESIDENTIAL OR FARM USE. A retailer shall have a signed exemption certificate if the sale of fuel oil, propane, coal, steam or wood for residential or farm use is partially exempt from sales or use tax, except that if the exemption certificate is received electronically, a signature is not required. If the sale is 100% exempt, an exemption certificate is not required.

(10) EXEMPTION FOR ELECTRICITY AND NATURAL GAS SOLD FOR RESIDENTIAL OR FARM USE. A retailer of electricity or natural gas shall have a signed exemption certificate, except that if the exemption certificate is received electronically, a signature is not required, for all sales of electricity or natural gas for residential or farm use which are exempt from sales or use tax unless any, or all, of the following apply:

(a) 100% of the electricity or natural gas is for exempt use.

(b) The sale is to an account which is properly classified as residential or farm pursuant to schedules which are filed for rate tariff with the Wisconsin public service commission which are in force at the time of the sale.

(c) The sale is to an account which is properly classified as residential or farm for classification purposes as directed by the federal rural electrification administration.

(11) GOVERNMENT SALES AND USE TAX EXEMPTION. **(a)** A retailer of tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), Stats., or taxable services may accept from a federal or Wisconsin governmental unit or any federally recognized American Indian tribe or band in Wisconsin, an exemption certificate as provided in sub. (3) (a) or the data elements as required in sub. (4) (a) as proof that a sale is exempt from sales or use tax.

(b) In lieu of accepting an exemption certificate as provided in par. (a), a retailer who issues its billing or invoice in the name of the Wisconsin or federal governmental unit or any federally recognized American Indian tribe or band in Wisconsin, may accept either one of the following:

1. A purchase order or similar written document from the governmental unit or tribe or band, identifying itself as the purchaser.

2. A verbal indication of the governmental unit's or tribe's or band's, certificate of exempt status, or CES, number, which the retailer shall record on the copy of the invoice it retains.

(12) OTHER EXEMPTIONS. The Wisconsin sales and use tax exemption certificate, form S-211, and the Streamlined Sales and Use Tax Exemption Certificate, SSTGB Form F0003, may also be used to claim any other sales and use tax exemption provided by law, including the following:

(a) Containers and other packaging, packing, and shipping materials used to transfer merchandise to customers of the purchaser.

(b) Tangible personal property and items under s. 77.52 (1) (b), Stats., that are used exclusively and directly by a manufacturer in manufacturing an article of tangible personal property or item or property under s. 77.52 (1) (b) or (c), Stats., that is destined for sale and that becomes an ingredient or component part of the article of tangible personal property or item or property under s. 77.52 (1) (b) or (c), Stats., destined for sale or is consumed or destroyed or loses its identity in manufacturing the article of tangible personal property or item or property under s. 77.52 (1) (b) or (c), Stats., destined for sale, except as provided in s. 77.54 (30) (a) 6., Stats.

(c) Trailers or accessories, attachments, parts, supplies, materials, and service on motor trucks, tractors, and trailers which are used exclusively in common or contract carriage.

(d) Property, items, goods, or services purchased directly by and used by a religious, charitable, educational, scientific, or other organization or governmental unit holding a Certificate of Exempt Status, "CES". Sales to organizations holding a CES also can be shown to be exempt by a retailer's recording the certificate number on its bill of sale. A corporation, 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, which is located out-of-state, may use the Wisconsin sales and use tax exemption certificate, form S-211, or the Streamlined Sales and Use Tax Exemption Certificate, SSTGB Form F0003, to purchase without tax even though it has not been issued a Wisconsin CES number.

(e) Railway cars, locomotives and other rolling stock used in railroad operations, or accessories, attachments, parts, lubricants, or fuel therefor.

(f) Commercial vessels and barges of 50-ton burden or over engaged in interstate or foreign commerce or commercial fishing, and accessories, attachments, parts, and fuel therefor.

(13) CONSTRUCTION CONTRACTS ENTERED INTO BEFORE THE EFFECTIVE DATE OF A COUNTY OR STADIUM TAX.

(a) The certificate for a construction contract entered into before the effective date of a county tax, or a stadium tax as defined in s. Tax 11.001 (2) (d), form S-207CT-1, is used by contractors to purchase building materials without the county or stadium tax. The certificate shall be used by a contractor only if the following 3 conditions are met:

1. The contractor entered into a written contract or made a formal bid before the effective date of the county or stadium tax to construct, alter, repair, or improve real estate for another person.

2. The written contract is for a fixed price that cannot be changed or the formal written bid cannot be altered or withdrawn.

3. The building materials purchased on or after the effective date of the county or stadium tax are affixed and made a part of real estate in fulfilling the written contract or formal written bid.

(b) The certificate shall give the descriptive name of the contract, job site, county or stadium tax effective date, date of prime contract and bid, date contract was signed, seller's name, date of performance of the contract, and contractor's name and address and shall be signed by the contractor, except that if the certificate is received electronically, a signature is not required.

(14) DIRECT PAY PERMITS. The use of direct pay permits in Wisconsin is authorized under s. 77.52 (17m), Stats. A person may apply to the department for a direct pay permit.

Note: For information on who qualifies for a direct pay permit and how to use direct pay, refer to s. Tax 11.13.

(15) IMPROPER USE OF CERTIFICATES.

(a) A purchaser who gives an exemption certificate knowing at the time that the transaction is not exempt may be guilty of a misdemeanor under s. 77.52 (16), Stats. The purchaser may also be liable for other penalties provided by law for filing incorrect returns.

(b) A purchaser who uses an exemption certificate in a manner that is prohibited by or inconsistent with Wisconsin law or who provides incorrect information to a seller or certified service provider relating to an exemption being claimed will also be subject to a penalty of $250 for each invoice or bill of sale related to the prohibited or inconsistent use to which the incorrect information applies.

(16) EXEMPTION CERTIFICATE NOT NEEDED FOR CERTAIN SALES. No exemption certificate is required for sales of property, items, goods, or services that are exempt from Wisconsin sales and use tax under s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n), (21), (22b), (31), (32), (35), (36), (37), (42), (44), (45), (46), (51), and (52), Stats.

Note: Section Tax 11.14 interprets ss. 77.52 (13) to (17), 77.53 (10) to (13), 77.60 (13), and 77.77 (3), Stats.

Note: The interpretations in s. Tax 11.14 are effective under the general sales and use tax law on and after September 1, 1969, except: (a) The exemption for railroad lubricants became effective July 1, 1978, pursuant to Chapter 418, Laws of 1977; (b) The use of direct pay permits in Wisconsin became effective for taxable years beginning on or after January 1, 1995, pursuant to 1993 Wis. Act 437; (c) The elimination of the exemption certificate requirement for sales of certain consigned commodities became effective December 1, 1997 as it relates to sales taxes on commodities consigned for resale, pursuant to 1997 Wis. Act 27, and June 17, 1998 as it relates to sales and use taxes on commodities consigned for sale, pursuant to 1997 Wis. Act 237; (d) The multipurpose exemption certificate, form S-211, was created in November 1998 to replace various types of exemption certificates; (e) The removal of the good faith requirement if a fully completed exemption certificate is obtained by the seller from the purchaser within 90 days of the date of sale became effective October 1, 2009, pursuant to 2009 Wis. Act 2; (f) The requirement that a seller is allowed 120 days after the Department of Revenue requests that they obtain an exemption certificate or otherwise prove that a transaction is exempt became effective October 1, 2009, pursuant to 2009 Wis. Act 2; (g) The exemption from sales and use tax for federally recognized American Indian bands or tribes in Wisconsin became effective July 1, 2009, pursuant to 2009 Wis. Act 28; (h) The acceptance of the Streamlined Sales and Use Tax Exemption Certificate to prove a transaction is exempt became effective October 1, 2009, pursuant to 2009 Wis. Act 2; (i) The penalty for prohibited or inconsistent use of an exemption certificate or direct pay permit became effective October 1, 2009 pursuant to 2009 Wis. Act 2; (j) The identification of the specific exemptions for which an exemption certificate is not required became effective

October 1, 2009, pursuant to 2009 Wis. Act 2; and (k) The change of the term "gross receipts" to "sales price" and the separate impositions of tax on coins and stamps sold above face value under s. 77.52 (1) (b), Stats., certain leased property affixed to real property under s. 77.52 (1) (c), Stats., and digital goods under s. 77.52 (1) (d), Stats., became effective October 1, 2009, pursuant to 2009 Wis. Act 2.

History: Cr. Register, November, 1978, No. 275, eff. 12-1-78; am. (7) (a)., Register, June, 1983, No. 330, eff. 7-1-83; cr. (2) (c) and am. (10), Register, July, 1987, No. 379, eff. 8-1-87; cr. (2) (a) 5. and 6., (10), (11) and (14), am. (2) (a), (5) (b), (6) (b) (intro.) and 5., (7) (a) (intro.) and 4. and 5., (8) (a) and (9), renum. (10) and (11) to be (12) and (13) and am., Register, March, 1991, No. 423, eff. 4-1-91; am. (2) (c), (3) (b) and (c), (6) (b) 4., r. and recr. (12), Register, June, 1995, No. 474, eff. 7-1-95; renum. (12), (13) and (14) to be (13), (14) and (15), am. (2) (a) (intro.), cr. (2) (a) 7. and (12), Register, October, 1997, No. 502, eff. 11-1-97; am. (1) (c), (3) (a) and (b), (5) (b), (6) (a) 2., (b), 3., r. and recr. (2) (a) 1. and 2., cr. (6) (b) 4. c. and (16), r. (2) (a) 3. to 7., (7) (b), (10) (b), (11) (b) and (12) (b) 1., renum. (7) (a) 1. to 6. to be (12) (a) to (f) and am. (12) (d), renum. (8) to (10) (a) to be (7) to (9) and am. (7) (a), (8) and (9), renum. (11) (a) 1. to 3. to be (10) (a) to (c), renum. (12) (a) to be (11) (a) and am., renum. (12) (b) 2. and 3., (13), (14) and (15) to be (11) (b) 1. and 2., (13), (14) and (15) and am. (13) (a), 1. and 3. and (b), Register, August, 1999, No. 524, eff. 9-1-99; CR 02-128: am. (6) (a) 2., and (13) (a) (intro.) and (b), Register July 2003 No. 571, eff. 8-1-03; EmR0924: emerg. am. (2) (a) (intro.), 1., (b), (c), (5) (a), (6) (a) 1., 2., (b) 2., (7) (a), (11), (12) (intro.), (b) to (f), (13) (a) 1. and (b), cr. (2) (a) 3. and (15) (b), r. and recr. (3), (4), (5) (b) and (16), r. (6) (b) 3. and 5., renum. (6) (b) 4. and (15) to be (6) (b) 3. and (15) (a) and am. (6) (b) 3. (intro.), eff. 10-1-09; CR 09-090: am. (2) (a) (intro.), 1., (b), (c), (5) (a), (6) (a) 1., 2., (b) 2., (7) (a), (11), (12) (intro.), (b) to (f), (13) (a) 1. and (b), cr. (2) (a) 3. and (15) (b), r. and recr. (3), (4), (5) (b) and (16), r. (6) (b) 3. and 5., renum. (6) (b) 4. and (15) to be (6) (b) 3. and (15) (a) and am. (6) (b) 3. (intro.) Register May 2010 No. 653, eff. 6-1-10; CR 10-094: am. (2) (c), (3) (a), (4) (b), (5) (a), (6) (a), (7) (a), (9), (12) (a), r. and recr. (4) (c) Register November 2010 No. 659, eff. 12-1-10; CR 12-014: am. (2) (a) 3., (6) (b) 1., (8), (9), (10) (intro.), (13) (b) Register August 2012 No. 680, eff. 9-1-12.

APPENDIX E

Wisconsin Sales and Use Tax Exemption Certificate

Form S-211

Do not send this certificate to the Department of Revenue

Purchaser: Complete this certificate and give it to the seller.

Seller: If this certificate is not fully completed, you must charge sales tax. Keep this certificate as part of your records.

Check One ► ☐ Single Purchase ☐ Continuous

Purchaser Information				
Business Name			Type of Business	
Business Address	City		State	ZIP Code
Purchaser's Tax ID Number				State of Issue
If no Tax ID Number, enter one of the following:	FEIN	Driver's License Number/State Issued ID Number		State of Issue
Seller Information				
Name				
Address	City		State	ZIP Code

Reason for Exemption

☐ **Resale** (Enter purchaser's seller's permit or use tax certificate number) _____

Manufacturing and Biotechnology

☐ Tangible personal property (TPP) or item under s.77.52(1)(b) that is used exclusively and directly by a manufacturer in manufacturing an article of TPP or items or property under s.77.52(1)(b) or (c) that is destined for sale and that becomes an ingredient or component part of the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale or is consumed or destroyed or loses its identity in manufacturing the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale.

☐ Machines and specific processing equipment and repair parts or replacements thereof, exclusively and directly used by a manufacturer in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) and safety attachments for those machines and equipment.

☐ The repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of machines and specific processing equipment, that the above purchaser would be authorized to purchase without sales or use tax, at the time the service is performed. Tools used to repair exempt machines are not exempt.

☐ Fuel and electricity consumed in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) in this state.

Percent of fuel exempt: _____ % Percent of electricity exempt: _____ %

☐ Portion of the amount of fuel converted to steam for purposes of resale. Percent of fuel exempt: _____ %

☐ Property used exclusively and directly in qualified research, by persons engaged in manufacturing at a building assessed under s. 70.995, by persons engaged primarily in biotechnology in Wisconsin, or a combined group member conducting qualified research for another combined group member that meets these requirements.

Farming (To qualify for this exemption, the purchaser must use item(s) exclusively and directly in the business of farming, including dairy farming, agriculture, horticulture, floriculture, silviculture, beekeeping or custom farming services.)

☐ Tractors (except lawn and garden tractors), all-terrain vehicles (ATV) and farm machines, including accessories, attachments, and parts, lubricants, nonpowered equipment, and other tangible personal property or items or property under s.77.52(1)(b) or (c) that are used exclusively and directly, or are consumed or lose their identities in the business of farming. This includes services to the property and items above.

☐ Feed, seeds for planting, plants, fertilizer, soil conditioners, sprays, pesticides, and fungicides.

☐ Breeding and other livestock, poultry, farm work stock, bees, beehives and bee combs.

☐ Containers for fruits, vegetables, bee products, grain, hay, and silage (including containers used to transfer merchandise to customers), and plastic bags, sleeves, and sheeting used to store or cover hay and silage. Baling twine and baling wire.

☐ Animal waste containers or component parts thereof (may only mark certificate as "Single Purchase").

☐ Animal bedding, drugs for farm livestock or on bees, and milk house supplies.

S-211 (R. 10-18) This Form May Be Reproduced Wisconsin Department of Revenue

Governmental Units and Other Exempt Entities

Enter CES No., if applicable

- ☐ The United States and its unincorporated agencies and instrumentalities.
- ☐ Any federally recognized American Indian tribe or band in this state.
- ☐ Wisconsin state and local governmental units, including the State of Wisconsin or any agency thereof, Wisconsin counties, cities, villages, or towns, and Wisconsin public schools, school districts, universities, or technical college districts.
- ☐ Organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals. CES Number _____ (Required for Wisconsin organizations).

Other

- ☐ Containers and other packaging, packing, and shipping materials, used to transfer merchandise to customers of the purchaser.
- ☐ Trailers and accessories, attachments, parts, supplies, materials, and service for motor trucks, tractors, and trailers which are used exclusively in common or contract carriage under LC, IC, or MC No. (if applicable) _____.
- ☐ Machines and specific processing equipment used exclusively and directly in a fertilizer blending, feed milling, or grain drying operation, including repair parts, replacements, and safety attachments.
- ☐ Building materials acquired solely for and used solely in the construction or repair of holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer or for storage of such grain, if such structures are used in a fertilizer blending, feed milling, or grain drying operation.
- ☐ Tangible personal property purchased by a person who is licensed to operate a commercial radio or television station in Wisconsin, if the property is used exclusively and directly in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.
- ☐ Fuel and electricity consumed in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.
  Percent of fuel exempt: _____ % Percent of electricity exempt: _____ %
- ☐ Tangible personal property and items, property and goods under s.77.52(1)(b), (c), and (d) to be resold by _____ on my behalf where _____ is registered to collect and remit sales tax to the Department of Revenue on such sales.
- ☐ Tangible personal property, property, items and goods under s.77.52(1)(b), (c), and (d), or services purchased by a Native American with enrollment # _____, who is enrolled with and resides on the _____ Reservation, where buyer will take possession of such property, items, goods, or services.
- ☐ Tangible personal property and items and property under s.77.52(1)(b) and (c) becoming a component of an industrial or municipal waste treatment facility, including replacement parts, chemicals, and supplies used or consumed in operating the facility. Caution: Do not check the "continuous" box at the top of page 1.
- ☐ Portion of the amount of electricity or natural gas used or consumed in an industrial waste treatment facility. (Percent of electricity or natural gas exempt _____%)
- ☐ Electricity, natural gas, fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel for **residential** or **farm** use.

	% of Electricity Exempt	% of Natural Gas Exempt	% of Fuel Exempt
☐ Residential	_____%	_____%	_____%
☐ Farm	_____%	_____%	_____%

Address Delivered: _____

- ☐ Percent of printed advertising material solely for out-of-state use. _____%
- ☐ Catalogs, and the envelopes in which the catalogs are mailed, that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms.
- ☐ Computers and servers used primarily to store copies of the product that are sent to a digital printer, a plate-making machine, or a printing press or are used primarily in prepress or postpress activities, by persons whose NAICS code is 323111, 323117, or 323120.
- ☐ Purchases from out-of-state sellers of tangible personal property that are temporarily stored, remain idle, and not used in this state and that are then delivered and used solely outside this state, by persons whose NAICS code is 323111, 323117, or 323120.
- ☐ Other purchases exempted by law. (State items and exemption). _____

I declare that the information provided is complete and accurate to the best of my knowledge, and that the product(s) purchased will be used in the exempt manner indicated. If a product is not used in an exempt manner, I will remit use tax on the purchase price at the time of first taxable use. I understand that failure to remit the use tax may result in a future liability, including tax, interest, and penalty.

CAUTION: Using this certificate to avoid paying sales tax may result in a fine of $250 for each transaction for which the certificate is used

Signature of Purchaser	Print or Type Name	Title	Date

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(DETACH AND PRESENT TO SELLER)

APPENDIX F

Wisconsin Streamlined Sales and Use Tax Agreement Exemption Certificate

This is a multi-state form. Not all states allow all exemptions listed on this form. **Purchasers are responsible for knowing if they qualify to claim exemption from tax in the state that would otherwise be due tax on this sale.** The seller may be required to provide this exemption certificate (or the data elements required on the form) to a state that would otherwise be due tax on this sale.

The purchaser will be held liable for any tax and interest, and possibly civil and criminal penalties imposed by the member state, if the purchaser is not eligible to claim this exemption. A seller may not accept a certificate of exemption for an entity-based exemption on a sale made at a location operated by the seller within the designated state if the state does not allow such an entity-based exemption.

1. ☐ Check if you are attaching the Multi-state Supplemental form.
☐☐ If not, enter the two-letter postal abbreviation for the state under whose laws you are claiming exemption.

2. ☐ Check if this certificate is for a single purchase and enter the related invoice/purchase order # _____ .

3. Purchaser's Information *(please print)*

Purchaser's Name				
Business Address		City	State	Zip
Purchaser's Tax ID Number		State of Issue	Country of Issue	
If no Tax ID Number, enter one of the following:	FEIN:	Driver's License Number/State Issued ID Number and	State of Issue:	Foreign Diplomat Number:
Name of seller from whom you are purchasing, leasing or renting				
Seller's Address		City	State	Zip

4. Type of business. Check the box next to the number that describes your business.

- ☐ **01** Accommodation and food services
- ☐ **02** Agricultural, forestry, fishing, hunting
- ☐ **03** Construction
- ☐ **04** Finance and insurance
- ☐ **05** Information, publishing and communications
- ☐ **06** Manufacturing
- ☐ **07** Mining
- ☐ **08** Real estate
- ☐ **09** Rental and leasing
- ☐ **10** Retail trade
- ☐ **11** Transportation and warehousing
- ☐ **12** Utilities
- ☐ **13** Wholesale trade
- ☐ **14** Business services
- ☐ **15** Professional services
- ☐ **16** Education and healthcare services
- ☐ **17** Nonprofit organization
- ☐ **18** Government
- ☐ **19** Not a business
- ☐ **20** Other *(explain)* _____

5. Reason for exemption. Check the box next to the letter that identifies the reason for the exemption.

- ☐ **A** Federal government *(department)*
- ☐ **B** Wisconsin state of local government unit *(name)* _____
- ☐ **C** Wisconsin tribal government *(name)* _____
- ☐ **D** Foreign diplomat # _____
- ☐ **E** Charitable organization # _____
- ☐ **F** Religious organization # _____
- ☐ **G** Resale # _____
- ☐ **H** Agricultural production _____
- ☐ **I** Industrial production/manufacturing _____
- ☐ **J** Direct pay permit # _____
- ☐ **K** Direct mail _____
- ☐ **L** Other *(explain)* _____
- ☐ **M** Educational organization # _____

I declare that the information on this certificate is correct and complete to the best of my knowledge and belief.

Signature of Authorized Purchaser	Print Name	Title	Date

SSTGB Form F0003 Exemption Certificate (5/10/17) - Wisconsin Revisions effective January 1, 2018

S-211-SST (R. 12-17) Wisconsin Department of Revenue

Wisconsin Streamlined Sales and Use Tax Agreement
Multi-state Supplemental Exemption Certificate

Purchaser's Name

State	Reason for Exemption	Identification Number (if required)
AR		
GA		
IA		
IN		
KS		
KY		
MI		
MN		
NC		
ND		
NE		
NJ		
NV		
OH		
OK		
RI		
SD		
TN		
UT		
VT		
WA		
WI		
WV		
WY		

SSUTA Direct Mail provisions are not in effect for Tennessee.

The following nonmember states will accept this certificate for exemption claims that are valid in their respective state. SSUTA Direct Mail provisions do not apply in these states.

XX		
XX		
XX		
XX		
XX		
XX		
XX		
XX		
XX		
XX		
XX		
XX		
XX		
XX		

SSTGB Form F0003 Exemption Certificate (5/10/17) - Wisconsin Revisions effective January 1, 2018

S-211-SST (R. 12-17) -2- Wisconsin Department of Revenue

Wisconsin Streamlined Sales and Use Tax Agreement
Exemption Certificate Instructions

Use this form to claim exemption form sales tax on purchases of otherwise taxable items. The purchaser must complete all fields on the exemption certificate and provided the fully completed certificate to the seller in order to claim exemption.

Warning to purchaser: You are responsible for ensuring that you are eligible for the exemption you are claiming. You will be held liable for any tax and interest, and possibly penalties imposed by the member state due the tax on your purchase, if the purchase is not legally exempt.

Purchaser Instructions for Completing the Exemption Certificate

1. Some purchasers may wish to complete a single certificate for multiple states where they conduct business and, regularly, make exempt purchases from the same seller. If you do, check the box on the front of the SSUTA Exemption Certificate to indicate that you are attaching the *Multistate Supplemental Exemption Certificate*.

   CAUTION: Certificates completed with a multistate supplement may include non-member states of the SST Governing Board, provided those states have agreed to accept the SSUTA Exemption Certificate. Both sellers and purchasers MUST BE AWARE that these additional non-member states may not have adopted the SSUTA provisions for Direct Mail. Additionally, completion of this certificate in its entirety may not fully relieve the seller from liability unless non-member states' requirements have been met.

   If you are not attaching the Multistate Supplemental form, enter the two-letter postal abbreviation for the state under whose laws you are claiming exemption. For example, if you are claiming an exemption from sales or use tax imposed by the state of Minnesota, enter "MN" in the boxes provided. If you are claiming exemption for more than one member state, complete the SSUTA Multistate Supplemental Exemption Certificate form.

2. **Single purchase exemption certificate:** Check this box if this exemption certificate is being used for a single purchase. Include the invoice or purchase order number for the transaction.

   If this box is not checked, this certificate will be treated as a blanket certificate. A blanket certificate continues in force so long as the purchaser is making recurring purchases *(at least one purchase within a period of twelve consecutive months)* or until otherwise cancelled by the purchaser.

3. **Purchaser information:** Complete the purchaser and seller information section, as requested. An identification number for you or your business must be included. Include your state tax identification number and identify the state and/or country that issued the number to you. If you do not have a state tax identification number, enter the Federal Employers Identification Number (FEIN) issued to your business, or if no FEIN number is required, enter your personnel driver's license number and the state in which it is issued. Foreign diplomats and consular personnel must enter the individual tax identification number shown on the sales tax exemption card issued to you by the United States Department of State's Office of Foreign Missions.

   Multistate Purchasers: The purchaser should enter its headquarters address as its business address.

4. **Type of business:** circle the number that best describes your business or organization. If note of the categories apply, circle number 20 and provide a brief description.

5. **Reason for exemption:** Circle the exemption that applies to you or your business and enter the additional information requested for that exemption. If the member state that is due tax on your purchase does not require the additional information requested for the exemption reason code circled, enter "NA" for not applicable on the appropriate line. If an exemption that is not listed applies, circle "M Other" and enter an explanation. The explanation for "M Other" must include a clear and concise explanation of the reason for the exemption claimed. Some more common exemptions that may be listed as explanation could be: Interstate carrier for hire, qualified air pollution equipment, enterprise zone, etc.

Form F0008 6/23/15 - Wisconsin Revisions effective January 1, 2018

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Multistate Purchasers: Attach the SSUTA Multistate Supplemental Exemption Certificate form and indicate the applicable reason for exemption and identification number (if required) for each of the additional states in which the purchaser wishes to claim exemption form tax.

CAUTION: The exemptions listed are general exemption most commonly allowed by member states. However, each state's laws governing exemptions are different. Not all of the reasons listed may be valid exemptions in the state in which your are claiming exemption. In addition, each state has other exemptions that may not be listed on this form. To determine what sales and use tax exemptions are allowed in Wisconsin, please visit our website at: http://www.revenue.wi.gov.

Seller Instructions for Completing the Exemption Certificate

You are required to maintain proper records of exempt transactions and provide those records to Member states of the SST Governing Board, Inc., when requested. These certificates may be provided in paper or electronic format. If a paper exemption certificate is not forwarded by the purchaser, but instead the data elements required on the form are otherwise captured by the seller, the seller must maintain such data and make it available to Member states in the form in which it is maintained by the seller.

You are relieved of the responsibility for collecting and remitting sales tax on the sale or sales for which the purchaser provided you with this exemption certificate, even if it is ultimately determined that the purchaser improperly claimed an exemption, provided all of the following conditions are met:

1. All fields on the exemption certificate are completed by the purchaser or the required information is captured and maintained;
2. The fully completed exemption certificate (or the required information) is provided to you at the time of the sale or as otherwise provided by Section 317 of the SSUTA;
3. If the purchaser is claiming an entity-based exemption (i.e., an exemption based on who the purchaser is, such as a charitable organization), the state that would otherwise be due the tax on the sale allows the specific entity-based exemption claimed by the purchaser if the purchase was made at a sale location operated by the seller within that state.
4. You do not fraudulently fail to collect the tax due; and
5. You do not solicit customers to unlawfully claim an exemption

Form F0008 6/23/15 - Wisconsin Revisions effective January 1, 2018

S-211-SST (R. 12-17) -4- Wisconsin Department of Revenue

APPENDIX G

5% STATE SALES TAX

Effective
May 1, 1982

Sale	Tax	Sale	Tax	Sale	Tax
$ .00 - .09	.00	9.50 - 9.69	.48	19.10 - 19.29	.96
.10 - .29	.01	9.70 - 9.89	.49	19.30 - 19.49	.97
.30 - .49	.02	9.90 - 10.09	.50	19.50 - 19.69	.98
.50 - .69	.03	10.10 - 10.29	.51	19.70 - 19.89	.99
.70 - .89	.04	10.30 - 10.49	.52	19.90 - 20.09	1.00
.90 - 1.09	.05	10.50 - 10.69	.53	20.10 - 20.29	1.01
1.10 - 1.29	.06	10.70 - 10.89	.54	20.30 - 20.49	1.02
1.30 - 1.49	.07	10.90 - 11.09	.55	20.50 - 20.69	1.03
1.50 - 1.69	.08	11.10 - 11.29	.56	20.70 - 20.89	1.04
1.70 - 1.89	.09	11.30 - 11.49	.57	20.90 - 21.09	1.05
1.90 - 2.09	.10	11.50 - 11.69	.58	21.10 - 21.29	1.06
2.10 - 2.29	.11	11.70 - 11.89	.59	21.30 - 21.49	1.07
2.30 - 2.49	.12	11.90 - 12.09	.60	21.50 - 21.69	1.08
2.50 - 2.69	.13	12.10 - 12.29	.61	21.70 - 21.89	1.09
2.70 - 2.89	.14	12.30 - 12.49	.62	21.90 - 22.09	1.10
2.90 - 3.09	.15	12.50 - 12.69	.63	22.10 - 22.29	1.11
3.10 - 3.29	.16	12.70 - 12.89	.64	22.30 - 22.49	1.12
3.30 - 3.49	.17	12.90 - 13.09	.65	22.50 - 22.69	1.13
3.50 - 3.69	.18	13.10 - 13.29	.66	22.70 - 22.89	1.14
3.70 - 3.89	.19	13.30 - 13.49	.67	22.90 - 23.09	1.15
3.90 - 4.09	.20	13.50 - 13.69	.68	23.10 - 23.29	1.16
4.10 - 4.29	.21	13.70 - 13.89	.69	23.30 - 23.49	1.17
4.30 - 4.49	.22	13.90 - 14.09	.70	23.50 - 23.69	1.18
4.50 - 4.69	.23	14.10 - 14.29	.71	23.70 - 23.89	1.19
4.70 - 4.89	.24	14.30 - 14.49	.72	23.90 - 24.09	1.20
4.90 - 5.09	.25	14.50 - 14.69	.73	24.10 - 24.29	1.21
5.10 - 5.29	.26	14.70 - 14.89	.74	24.30 - 24.49	1.22
5.30 - 5.49	.27	14.90 - 15.09	.75	24.50 - 24.69	1.23
5.50 - 5.69	.28	15.10 - 15.29	.76	24.70 - 24.89	1.24
5.70 - 5.89	.29	15.30 - 15.49	.77	24.90 - 25.09	1.25
5.90 - 6.09	.30	15.50 - 15.69	.78	25.10 - 25.29	1.26
6.10 - 6.29	.31	15.70 - 15.89	.79	25.30 - 25.49	1.27
6.30 - 6.49	.32	15.90 - 16.09	.80	25.50 - 25.69	1.28
6.50 - 6.69	.33	16.10 - 16.29	.81	25.70 - 25.89	1.29
6.70 - 6.89	.34	16.30 - 16.49	.82	25.90 - 26.09	1.30
6.90 - 7.09	.35	16.50 - 16.69	.83	26.10 - 26.29	1.31
7.10 - 7.29	.36	16.70 - 16.89	.84	26.30 - 26.49	1.32
7.30 - 7.49	.37	16.90 - 17.09	.85	26.50 - 26.69	1.33
7.50 - 7.69	.38	17.10 - 17.29	.86	26.70 - 26.89	1.34
7.70 - 7.89	.39	17.30 - 17.49	.87	26.90 - 27.09	1.35
7.90 - 8.09	.40	17.50 - 17.69	.88	27.10 - 27.29	1.36
8.10 - 8.29	.41	17.70 - 17.89	.89	27.30 - 27.49	1.37
8.30 - 8.49	.42	17.90 - 18.09	.90	27.50 - 27.69	1.38
8.50 - 8.69	.43	18.10 - 18.29	.91	27.70 - 27.89	1.39
8.70 - 8.89	.44	18.30 - 18.49	.92	27.90 - 28.09	1.40
8.90 - 9.09	.45	18.50 - 18.69	.93	28.10 - 28.29	1.41
9.10 - 9.29	.46	18.70 - 18.89	.94	28.30 - 28.49	1.42
9.30 - 9.49	.47	18.90 - 19.09	.95	28.50 - 28.69	1.43

The state tax equals 5¢ for each dollar of sales, plus the tax shown above for the fractional part of a dollar.

5.1% STATE AND BASEBALL STADIUM SALES TAX

Effective January 1, 1996

Sale	Tax	Sale	Tax	Sale	Tax
$ .00 - .09	.00	9.32 - 9.50	.48	18.73 - 18.92	.96
.10 - .29	.01	9.51 - 9.70	.49	18.93 - 19.11	.97
.30 - .49	.02	9.71 - 9.90	.50	19.12 - 19.31	.98
.50 - .68	.03	9.91 - 10.09	.51	19.32 - 19.50	.99
.69 - .88	.04	10.10 - 10.29	.52	19.51 - 19.70	1.00
.89 - 1.07	.05	10.30 - 10.49	.53	19.71 - 19.90	1.01
1.08 - 1.27	.06	10.50 - 10.68	.54	19.91 - 20.09	1.02
1.28 - 1.47	.07	10.69 - 10.88	.55	20.10 - 20.29	1.03
1.48 - 1.66	.08	10.89 - 11.07	.56	20.30 - 20.49	1.04
1.67 - 1.86	.09	11.08 - 11.27	.57	20.50 - 20.68	1.05
1.87 - 2.05	.10	11.28 - 11.47	.58	20.69 - 20.88	1.06
2.06 - 2.25	.11	11.48 - 11.66	.59	20.89 - 21.07	1.07
2.26 - 2.45	.12	11.67 - 11.86	.60	21.08 - 21.27	1.08
2.46 - 2.64	.13	11.87 - 12.05	.61	21.28 - 21.47	1.09
2.65 - 2.84	.14	12.06 - 12.25	.62	21.48 - 21.66	1.10
2.85 - 3.03	.15	12.26 - 12.45	.63	21.67 - 21.86	1.11
3.04 - 3.23	.16	12.46 - 12.64	.64	21.87 - 22.05	1.12
3.24 - 3.43	.17	12.65 - 12.84	.65	22.06 - 22.25	1.13
3.44 - 3.62	.18	12.85 - 13.03	.66	22.26 - 22.45	1.14
3.63 - 3.82	.19	13.04 - 13.23	.67	22.46 - 22.64	1.15
3.83 - 4.01	.20	13.24 - 13.43	.68	22.65 - 22.84	1.16
4.02 - 4.21	.21	13.44 - 13.62	.69	22.85 - 23.03	1.17
4.22 - 4.41	.22	13.63 - 13.82	.70	23.04 - 23.23	1.18
4.42 - 4.60	.23	13.83 - 14.01	.71	23.24 - 23.43	1.19
4.61 - 4.80	.24	14.02 - 14.21	.72	23.44 - 23.62	1.20
4.81 - 4.99	.25	14.22 - 14.41	.73	23.63 - 23.82	1.21
5.00 - 5.19	.26	14.42 - 14.60	.74	23.83 - 24.01	1.22
5.20 - 5.39	.27	14.61 - 14.80	.75	24.02 - 24.21	1.23
5.40 - 5.58	.28	14.81 - 14.99	.76	24.22 - 24.41	1.24
5.59 - 5.78	.29	15.00 - 15.19	.77	24.42 - 24.60	1.25
5.79 - 5.98	.30	15.20 - 15.39	.78	24.61 - 24.80	1.26
5.99 - 6.17	.31	15.40 - 15.58	.79	24.81 - 24.99	1.27
6.18 - 6.37	.32	15.59 - 15.78	.80	25.00 - 25.19	1.28
6.38 - 6.56	.33	15.79 - 15.98	.81	25.20 - 25.39	1.29
6.57 - 6.76	.34	15.99 - 16.17	.82	25.40 - 25.58	1.30
6.77 - 6.96	.35	16.18 - 16.37	.83	25.59 - 25.78	1.31
6.97 - 7.15	.36	16.38 - 16.56	.84	25.79 - 25.98	1.32
7.16 - 7.35	.37	16.57 - 16.76	.85	25.99 - 26.17	1.33
7.36 - 7.54	.38	16.77 - 16.96	.86	26.18 - 26.37	1.34
7.55 - 7.74	.39	16.97 - 17.15	.87	26.38 - 26.56	1.35
7.75 - 7.94	.40	17.16 - 17.35	.88	26.57 - 26.76	1.36
7.95 - 8.13	.41	17.36 - 17.54	.89	26.77 - 26.96	1.37
8.14 - 8.33	.42	17.55 - 17.74	.90	26.97 - 27.15	1.38
8.34 - 8.52	.43	17.75 - 17.94	.91	27.16 - 27.35	1.39
8.53 - 8.72	.44	17.95 - 18.13	.92	27.36 - 27.54	1.40
8.73 - 8.92	.45	18.14 - 18.33	.93	27.55 - 27.74	1.41
8.93 - 9.11	.46	18.34 - 18.52	.94	27.75 - 27.94	1.42
9.12 - 9.31	.47	18.53 - 18.72	.95	27.95 - 28.13	1.43

The state and baseball stadium tax equals 51¢ for each $10 of sales, plus the tax shown above for the fractional part of $10.

5.5% STATE AND COUNTY SALES TAX

Effective April 1, 1986

Sale	Tax	Sale	Tax	Sale	Tax
$ .00 - .09	.00	8.64 - 8.81	.48	17.37 - 17.54	.96
.10 - .27	.01	8.82 - 8.99	.49	17.55 - 17.72	.97
.28 - .45	.02	9.00 - 9.18	.50	17.73 - 17.90	.98
.46 - .63	.03	9.19 - 9.36	.51	17.91 - 18.09	.99
.64 - .81	.04	9.37 - 9.54	.52	18.10 - 18.27	1.00
.82 - .99	.05	9.55 - 9.72	.53	18.28 - 18.45	1.01
1.00 - 1.18	.06	9.73 - 9.90	.54	18.46 - 18.63	1.02
1.19 - 1.36	.07	9.91 - 10.09	.55	18.64 - 18.81	1.03
1.37 - 1.54	.08	10.10 - 10.27	.56	18.82 - 18.99	1.04
1.55 - 1.72	.09	10.28 - 10.45	.57	19.00 - 19.18	1.05
1.73 - 1.90	.10	10.46 - 10.63	.58	19.19 - 19.36	1.06
1.91 - 2.09	.11	10.64 - 10.81	.59	19.37 - 19.54	1.07
2.10 - 2.27	.12	10.82 - 10.99	.60	19.55 - 19.72	1.08
2.28 - 2.45	.13	11.00 - 11.18	.61	19.73 - 19.90	1.09
2.46 - 2.63	.14	11.19 - 11.36	.62	19.91 - 20.09	1.10
2.64 - 2.81	.15	11.37 - 11.54	.63	20.10 - 20.27	1.11
2.82 - 2.99	.16	11.55 - 11.72	.64	20.28 - 20.45	1.12
3.00 - 3.18	.17	11.73 - 11.90	.65	20.46 - 20.63	1.13
3.19 - 3.36	.18	11.91 - 12.09	.66	20.64 - 20.81	1.14
3.37 - 3.54	.19	12.10 - 12.27	.67	20.82 - 20.99	1.15
3.55 - 3.72	.20	12.28 - 12.45	.68	21.00 - 21.18	1.16
3.73 - 3.90	.21	12.46 - 12.63	.69	21.19 - 21.36	1.17
3.91 - 4.09	.22	12.64 - 12.81	.70	21.37 - 21.54	1.18
4.10 - 4.27	.23	12.82 - 12.99	.71	21.55 - 21.72	1.19
4.28 - 4.45	.24	13.00 - 13.18	.72	21.73 - 21.90	1.20
4.46 - 4.63	.25	13.19 - 13.36	.73	21.91 - 22.09	1.21
4.64 - 4.81	.26	13.37 - 13.54	.74	22.10 - 22.27	1.22
4.82 - 4.99	.27	13.55 - 13.72	.75	22.28 - 22.45	1.23
5.00 - 5.18	.28	13.73 - 13.90	.76	22.46 - 22.63	1.24
5.19 - 5.36	.29	13.91 - 14.09	.77	22.64 - 22.81	1.25
5.37 - 5.54	.30	14.10 - 14.27	.78	22.82 - 22.99	1.26
5.55 - 5.72	.31	14.28 - 14.45	.79	23.00 - 23.18	1.27
5.73 - 5.90	.32	14.46 - 14.63	.80	23.19 - 23.36	1.28
5.91 - 6.09	.33	14.64 - 14.81	.81	23.37 - 23.54	1.29
6.10 - 6.27	.34	14.82 - 14.99	.82	23.55 - 23.72	1.30
6.28 - 6.45	.35	15.00 - 15.18	.83	23.73 - 23.90	1.31
6.46 - 6.63	.36	15.19 - 15.36	.84	23.91 - 24.09	1.32
6.64 - 6.81	.37	15.37 - 15.54	.85	24.10 - 24.27	1.33
6.82 - 6.99	.38	15.55 - 15.72	.86	24.28 - 24.45	1.34
7.00 - 7.18	.39	15.73 - 15.90	.87	24.46 - 24.63	1.35
7.19 - 7.36	.40	15.91 - 16.09	.88	24.64 - 24.81	1.36
7.37 - 7.54	.41	16.10 - 16.27	.89	24.82 - 24.99	1.37
7.55 - 7.72	.42	16.28 - 16.45	.90	25.00 - 25.18	1.38
7.73 - 7.90	.43	16.46 - 16.63	.91	25.19 - 25.36	1.39
7.91 - 8.09	.44	16.64 - 16.81	.92	25.37 - 25.54	1.40
8.10 - 8.27	.45	16.82 - 16.99	.93	25.55 - 25.72	1.41
8.28 - 8.45	.46	17.00 - 17.18	.94	25.73 - 25.90	1.42
8.46 - 8.63	.47	17.19 - 17.36	.95	25.91 - 26.09	1.43

The state and county tax equals 11¢ for each $2 of sales, plus the tax shown above for the fractional part of $2.

5.5% STATE AND FOOTBALL STADIUM SALES TAX

Effective November 1, 2000 through September 30, 2015

Sale	Tax	Sale	Tax	Sale	Tax
$ .00 - .09	.00	8.64 - 8.81	.48	17.37 - 17.54	.96
.10 - .27	.01	8.82 - 8.99	.49	17.55 - 17.72	.97
.28 - .45	.02	9.00 - 9.18	.50	17.73 - 17.90	.98
.46 - .63	.03	9.19 - 9.36	.51	17.91 - 18.09	.99
.64 - .81	.04	9.37 - 9.54	.52	18.10 - 18.27	1.00
.82 - .99	.05	9.55 - 9.72	.53	18.28 - 18.45	1.01
1.00 - 1.18	.06	9.73 - 9.90	.54	18.46 - 18.63	1.02
1.19 - 1.36	.07	9.91 - 10.09	.55	18.64 - 18.81	1.03
1.37 - 1.54	.08	10.10 - 10.27	.56	18.82 - 18.99	1.04
1.55 - 1.72	.09	10.28 - 10.45	.57	19.00 - 19.18	1.05
1.73 - 1.90	.10	10.46 - 10.63	.58	19.19 - 19.36	1.06
1.91 - 2.09	.11	10.64 - 10.81	.59	19.37 - 19.54	1.07
2.10 - 2.27	.12	10.82 - 10.99	.60	19.55 - 19.72	1.08
2.28 - 2.45	.13	11.00 - 11.18	.61	19.73 - 19.90	1.09
2.46 - 2.63	.14	11.19 - 11.36	.62	19.91 - 20.09	1.10
2.64 - 2.81	.15	11.37 - 11.54	.63	20.10 - 20.27	1.11
2.82 - 2.99	.16	11.55 - 11.72	.64	20.28 - 20.45	1.12
3.00 - 3.18	.17	11.73 - 11.90	.65	20.46 - 20.63	1.13
3.19 - 3.36	.18	11.91 - 12.09	.66	20.64 - 20.81	1.14
3.37 - 3.54	.19	12.10 - 12.27	.67	20.82 - 20.99	1.15
3.55 - 3.72	.20	12.28 - 12.45	.68	21.00 - 21.18	1.16
3.73 - 3.90	.21	12.46 - 12.63	.69	21.19 - 21.36	1.17
3.91 - 4.09	.22	12.64 - 12.81	.70	21.37 - 21.54	1.18
4.10 - 4.27	.23	12.82 - 12.99	.71	21.55 - 21.72	1.19
4.28 - 4.45	.24	13.00 - 13.18	.72	21.73 - 21.90	1.20
4.46 - 4.63	.25	13.19 - 13.36	.73	21.91 - 22.09	1.21
4.64 - 4.81	.26	13.37 - 13.54	.74	22.10 - 22.27	1.22
4.82 - 4.99	.27	13.55 - 13.72	.75	22.28 - 22.45	1.23
5.00 - 5.18	.28	13.73 - 13.90	.76	22.46 - 22.63	1.24
5.19 - 5.36	.29	13.91 - 14.09	.77	22.64 - 22.81	1.25
5.37 - 5.54	.30	14.10 - 14.27	.78	22.82 - 22.99	1.26
5.55 - 5.72	.31	14.28 - 14.45	.79	23.00 - 23.18	1.27
5.73 - 5.90	.32	14.46 - 14.63	.80	23.19 - 23.36	1.28
5.91 - 6.09	.33	14.64 - 14.81	.81	23.37 - 23.54	1.29
6.10 - 6.27	.34	14.82 - 14.99	.82	23.55 - 23.72	1.30
6.28 - 6.45	.35	15.00 - 15.18	.83	23.73 - 23.90	1.31
6.46 - 6.63	.36	15.19 - 15.36	.84	23.91 - 24.09	1.32
6.64 - 6.81	.37	15.37 - 15.54	.85	24.10 - 24.27	1.33
6.82 - 6.99	.38	15.55 - 15.72	.86	24.28 - 24.45	1.34
7.00 - 7.18	.39	15.73 - 15.90	.87	24.46 - 24.63	1.35
7.19 - 7.36	.40	15.91 - 16.09	.88	24.64 - 24.81	1.36
7.37 - 7.54	.41	16.10 - 16.27	.89	24.82 - 24.99	1.37
7.55 - 7.72	.42	16.28 - 16.45	.90	25.00 - 25.18	1.38
7.73 - 7.90	.43	16.46 - 16.63	.91	25.19 - 25.36	1.39
7.91 - 8.09	.44	16.64 - 16.81	.92	25.37 - 25.54	1.40
8.10 - 8.27	.45	16.82 - 16.99	.93	25.55 - 25.72	1.41
8.28 - 8.45	.46	17.00 - 17.18	.94	25.73 - 25.90	1.42
8.46 - 8.63	.47	17.19 - 17.36	.95	25.91 - 26.09	1.43

The state and football stadium tax equals 11¢ for each $2 of sales, plus the tax shown above for the fractional part of $2.

5.6% STATE, COUNTY, AND BASEBALL STADIUM SALES TAX

Effective January 1, 1996

Sale	Tax	Sale	Tax	Sale	Tax
$ .00 - .08	.00	8.49 - 8.66	.48	17.06 - 17.23	.96
.09 - .26	.01	8.67 - 8.83	.49	17.24 - 17.41	.97
.27 - .44	.02	8.84 - 9.01	.50	17.42 - 17.58	.98
.45 - .62	.03	9.02 - 9.19	.51	17.59 - 17.76	.99
.63 - .80	.04	9.20 - 9.37	.52	17.77 - 17.94	1.00
.81 - .98	.05	9.38 - 9.55	.53	17.95 - 18.12	1.01
.99 - 1.16	.06	9.56 - 9.73	.54	18.13 - 18.30	1.02
1.17 - 1.33	.07	9.74 - 9.91	.55	18.31 - 18.48	1.03
1.34 - 1.51	.08	9.92 - 10.08	.56	18.49 - 18.66	1.04
1.52 - 1.69	.09	10.09 - 10.26	.57	18.67 - 18.83	1.05
1.70 - 1.87	.10	10.27 - 10.44	.58	18.84 - 19.01	1.06
1.88 - 2.05	.11	10.45 - 10.62	.59	19.02 - 19.19	1.07
2.06 - 2.23	.12	10.63 - 10.80	.60	19.20 - 19.37	1.08
2.24 - 2.41	.13	10.81 - 10.98	.61	19.38 - 19.55	1.09
2.42 - 2.58	.14	10.99 - 11.16	.62	19.56 - 19.73	1.10
2.59 - 2.76	.15	11.17 - 11.33	.63	19.74 - 19.91	1.11
2.77 - 2.94	.16	11.34 - 11.51	.64	19.92 - 20.08	1.12
2.95 - 3.12	.17	11.52 - 11.69	.65	20.09 - 20.26	1.13
3.13 - 3.30	.18	11.70 - 11.87	.66	20.27 - 20.44	1.14
3.31 - 3.48	.19	11.88 - 12.05	.67	20.45 - 20.62	1.15
3.49 - 3.66	.20	12.06 - 12.23	.68	20.63 - 20.80	1.16
3.67 - 3.83	.21	12.24 - 12.41	.69	20.81 - 20.98	1.17
3.84 - 4.01	.22	12.42 - 12.58	.70	20.99 - 21.16	1.18
4.02 - 4.19	.23	12.59 - 12.76	.71	21.17 - 21.33	1.19
4.20 - 4.37	.24	12.77 - 12.94	.72	21.34 - 21.51	1.20
4.38 - 4.55	.25	12.95 - 13.12	.73	21.52 - 21.69	1.21
4.56 - 4.73	.26	13.13 - 13.30	.74	21.70 - 21.87	1.22
4.74 - 4.91	.27	13.31 - 13.48	.75	21.88 - 22.05	1.23
4.92 - 5.08	.28	13.49 - 13.66	.76	22.06 - 22.23	1.24
5.09 - 5.26	.29	13.67 - 13.83	.77	22.24 - 22.41	1.25
5.27 - 5.44	.30	13.84 - 14.01	.78	22.42 - 22.58	1.26
5.45 - 5.62	.31	14.02 - 14.19	.79	22.59 - 22.76	1.27
5.63 - 5.80	.32	14.20 - 14.37	.80	22.77 - 22.94	1.28
5.81 - 5.98	.33	14.38 - 14.55	.81	22.95 - 23.12	1.29
5.99 - 6.16	.34	14.56 - 14.73	.82	23.13 - 23.30	1.30
6.17 - 6.33	.35	14.74 - 14.91	.83	23.31 - 23.48	1.31
6.34 - 6.51	.36	14.92 - 15.08	.84	23.49 - 23.66	1.32
6.52 - 6.69	.37	15.09 - 15.26	.85	23.67 - 23.83	1.33
6.70 - 6.87	.38	15.27 - 15.44	.86	23.84 - 24.01	1.34
6.88 - 7.05	.39	15.45 - 15.62	.87	24.02 - 24.19	1.35
7.06 - 7.23	.40	15.63 - 15.80	.88	24.20 - 24.37	1.36
7.24 - 7.41	.41	15.81 - 15.98	.89	24.38 - 24.55	1.37
7.42 - 7.58	.42	15.99 - 16.16	.90	24.56 - 24.73	1.38
7.59 - 7.76	.43	16.17 - 16.33	.91	24.74 - 24.91	1.39
7.77 - 7.94	.44	16.34 - 16.51	.92	24.92 - 25.08	1.40
7.95 - 8.12	.45	16.52 - 16.69	.93	25.09 - 25.26	1.41
8.13 - 8.30	.46	16.70 - 16.87	.94	25.27 - 25.44	1.42
8.31 - 8.48	.47	16.88 - 17.05	.95	25.45 - 25.62	1.43

The state, county, and baseball stadium tax equals 56¢ for each $10 of sales, plus the tax shown above for the fractional part of $10.

6% STATE, COUNTY, AND PREMIER RESORT AREA SALES TAX

Effective April 1, 1998

Sale	Tax	Sale	Tax	Sale	Tax
$ .00 - .08	.00	7.92 - 8.08	.48	15.92 - 16.08	.96
.09 - .24	.01	8.09 - 8.24	.49	16.09 - 16.24	.97
.25 - .41	.02	8.25 - 8.41	.50	16.25 - 16.41	.98
.42 - .58	.03	8.42 - 8.58	.51	16.42 - 16.58	.99
.59 - .74	.04	8.59 - 8.74	.52	16.59 - 16.74	1.00
.75 - .91	.05	8.75 - 8.91	.53	16.75 - 16.91	1.01
.92 - 1.08	.06	8.92 - 9.08	.54	16.92 - 17.08	1.02
1.09 - 1.24	.07	9.09 - 9.24	.55	17.09 - 17.24	1.03
1.25 - 1.41	.08	9.25 - 9.41	.56	17.25 - 17.41	1.04
1.42 - 1.58	.09	9.42 - 9.58	.57	17.42 - 17.58	1.05
1.59 - 1.74	.10	9.59 - 9.74	.58	17.59 - 17.74	1.06
1.75 - 1.91	.11	9.75 - 9.91	.59	17.75 - 17.91	1.07
1.92 - 2.08	.12	9.92 - 10.08	.60	17.92 - 18.08	1.08
2.09 - 2.24	.13	10.09 - 10.24	.61	18.09 - 18.24	1.09
2.25 - 2.41	.14	10.25 - 10.41	.62	18.25 - 18.41	1.10
2.42 - 2.58	.15	10.42 - 10.58	.63	18.42 - 18.58	1.11
2.59 - 2.74	.16	10.59 - 10.74	.64	18.59 - 18.74	1.12
2.75 - 2.91	.17	10.75 - 10.91	.65	18.75 - 18.91	1.13
2.92 - 3.08	.18	10.92 - 11.08	.66	18.92 - 19.08	1.14
3.09 - 3.24	.19	11.09 - 11.24	.67	19.09 - 19.24	1.15
3.25 - 3.41	.20	11.25 - 11.41	.68	19.25 - 19.41	1.16
3.42 - 3.58	.21	11.42 - 11.58	.69	19.42 - 19.58	1.17
3.59 - 3.74	.22	11.59 - 11.74	.70	19.59 - 19.74	1.18
3.75 - 3.91	.23	11.75 - 11.91	.71	19.75 - 19.91	1.19
3.92 - 4.08	.24	11.92 - 12.08	.72	19.92 - 20.08	1.20
4.09 - 4.24	.25	12.09 - 12.24	.73	20.09 - 20.24	1.21
4.25 - 4.41	.26	12.25 - 12.41	.74	20.25 - 20.41	1.22
4.42 - 4.58	.27	12.42 - 12.58	.75	20.42 - 20.58	1.23
4.59 - 4.74	.28	12.59 - 12.74	.76	20.59 - 20.74	1.24
4.75 - 4.91	.29	12.75 - 12.91	.77	20.75 - 20.91	1.25
4.92 - 5.08	.30	12.92 - 13.08	.78	20.92 - 21.08	1.26
5.09 - 5.24	.31	13.09 - 13.24	.79	21.09 - 21.24	1.27
5.25 - 5.41	.32	13.25 - 13.41	.80	21.25 - 21.41	1.28
5.42 - 5.58	.33	13.42 - 13.58	.81	21.42 - 21.58	1.29
5.59 - 5.74	.34	13.59 - 13.74	.82	21.59 - 21.74	1.30
5.75 - 5.91	.35	13.75 - 13.91	.83	21.75 - 21.91	1.31
5.92 - 6.08	.36	13.92 - 14.08	.84	21.92 - 22.08	1.32
6.09 - 6.24	.37	14.09 - 14.24	.85	22.09 - 22.24	1.33
6.25 - 6.41	.38	14.25 - 14.41	.86	22.25 - 22.41	1.34
6.42 - 6.58	.39	14.42 - 14.58	.87	22.42 - 22.58	1.35
6.59 - 6.74	.40	14.59 - 14.74	.88	22.59 - 22.74	1.36
6.75 - 6.91	.41	14.75 - 14.91	.89	22.75 - 22.91	1.37
6.92 - 7.08	.42	14.92 - 15.08	.90	22.92 - 23.08	1.38
7.09 - 7.24	.43	15.09 - 15.24	.91	23.09 - 23.24	1.39
7.25 - 7.41	.44	15.25 - 15.41	.92	23.25 - 23.41	1.40
7.42 - 7.58	.45	15.42 - 15.58	.93	23.42 - 23.58	1.41
7.59 - 7.74	.46	15.59 - 15.74	.94	23.59 - 23.74	1.42
7.75 - 7.91	.47	15.75 - 15.91	.95	23.75 - 23.91	1.43

The state, county, and premier resort area tax equals 6¢ for each dollar of sales, plus the tax shown above for the fractional part of a dollar.

6.75% STATE, COUNTY, AND PREMIER RESORT AREA SALES TAX

Effective July 1, 2014 in the Village of Lake Delton and the City of Wisconsin Dells only

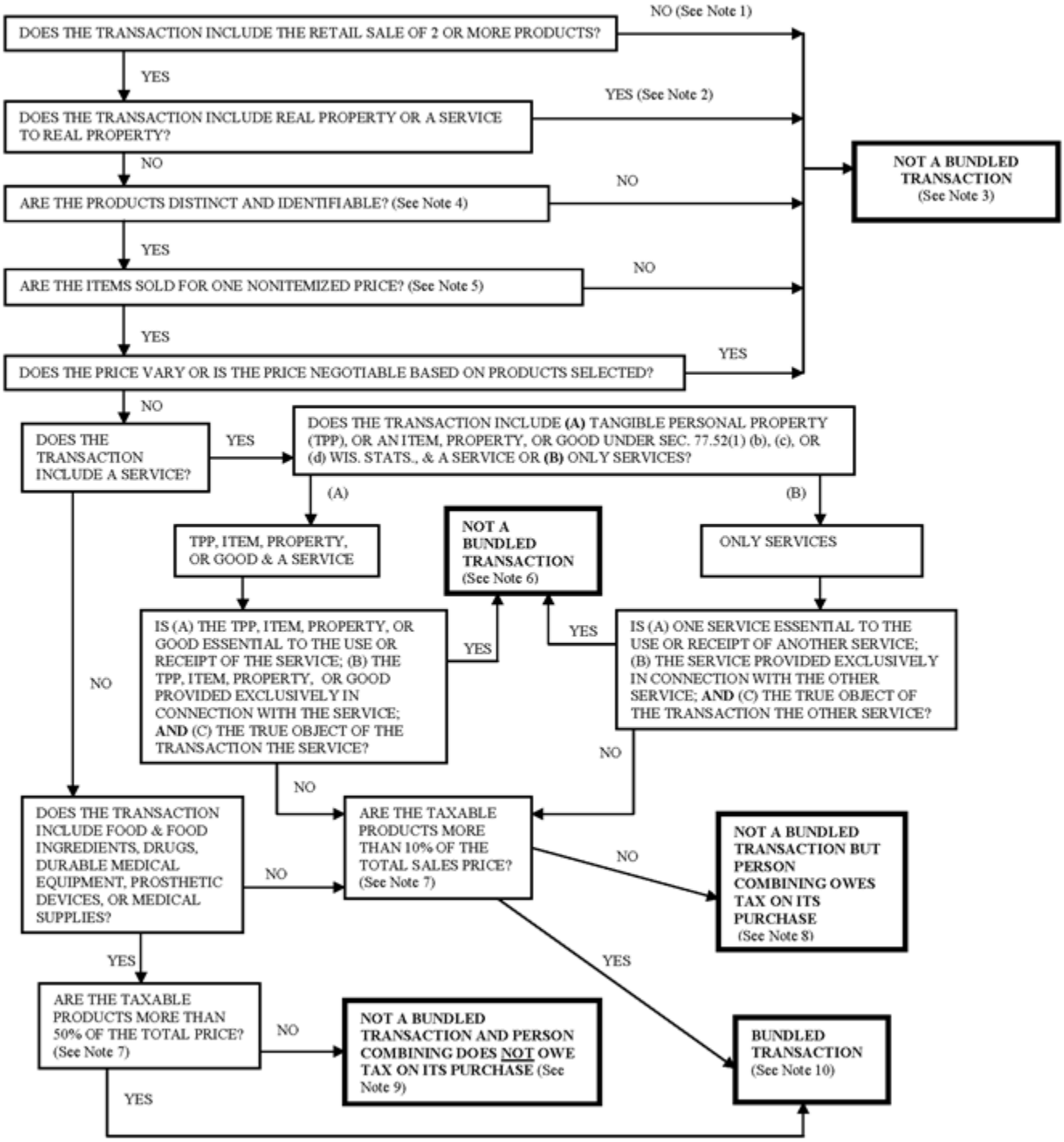
Sale	Tax	Sale	Tax	Sale	Tax
$ .00 - .07	.00	7.04 - 7.18	.48	14.15 - 14.29	.96
.08 - .22	.01	7.19 - 7.33	.49	14.30 - 14.44	.97
.23 - .37	.02	7.34 - 7.48	.50	14.45 - 14.59	.98
.38 - .51	.03	7.49 - 7.62	.51	14.60 - 14.74	.99
.52 - .66	.04	7.63 - 7.77	.52	14.75 - 14.88	1.00
.67 - .81	.05	7.78 - 7.92	.53	14.89 - 15.03	1.01
.82 - .96	.06	7.93 - 8.07	.54	15.04 - 15.18	1.02
.97 - 1.11	.07	8.08 - 8.22	.55	15.19 - 15.33	1.03
1.12 - 1.25	.08	8.23 - 8.37	.56	15.34 - 15.48	1.04
1.26 - 1.40	.09	8.38 - 8.51	.57	15.49 - 15.62	1.05
1.41 - 1.55	.10	8.52 - 8.66	.58	15.63 - 15.77	1.06
1.56 - 1.70	.11	8.67 - 8.81	.59	15.78 - 15.92	1.07
1.71 - 1.85	.12	8.82 - 8.96	.60	15.93 - 16.07	1.08
1.86 - 1.99	.13	8.97 - 9.11	.61	16.08 - 16.22	1.09
2.00 - 2.14	.14	9.12 - 9.25	.62	16.23 - 16.37	1.10
2.15 - 2.29	.15	9.26 - 9.40	.63	16.38 - 16.51	1.11
2.30 - 2.44	.16	9.41 - 9.55	.64	16.52 - 16.66	1.12
2.45 - 2.59	.17	9.56 - 9.70	.65	16.67 - 16.81	1.13
2.60 - 2.74	.18	9.71 - 9.85	.66	16.82 - 16.96	1.14
2.75 - 2.88	.19	9.86 - 9.99	.67	16.97 - 17.11	1.15
2.89 - 3.03	.20	10.00 - 10.14	.68	17.12 - 17.25	1.16
3.04 - 3.18	.21	10.15 - 10.29	.69	17.26 - 17.40	1.17
3.19 - 3.33	.22	10.30 - 10.44	.70	17.41 - 17.55	1.18
3.34 - 3.48	.23	10.45 - 10.59	.71	17.56 - 17.70	1.19
3.49 - 3.62	.24	10.60 - 10.74	.72	17.71 - 17.85	1.20
3.63 - 3.77	.25	10.75 - 10.88	.73	17.86 - 17.99	1.21
3.78 - 3.92	.26	10.89 - 11.03	.74	18.00 - 18.14	1.22
3.93 - 4.07	.27	11.04 - 11.18	.75	18.15 - 18.29	1.23
4.08 - 4.22	.28	11.19 - 11.33	.76	18.30 - 18.44	1.24
4.23 - 4.37	.29	11.34 - 11.48	.77	18.45 - 18.59	1.25
4.38 - 4.51	.30	11.49 - 11.62	.78	18.60 - 18.74	1.26
4.52 - 4.66	.31	11.63 - 11.77	.79	18.75 - 18.88	1.27
4.67 - 4.81	.32	11.78 - 11.92	.80	18.89 - 19.03	1.28
4.82 - 4.96	.33	11.93 - 12.07	.81	19.04 - 19.18	1.29
4.97 - 5.11	.34	12.08 - 12.22	.82	19.19 - 19.33	1.30
5.12 - 5.25	.35	12.23 - 12.37	.83	19.34 - 19.48	1.31
5.26 - 5.40	.36	12.38 - 12.51	.84	19.49 - 19.62	1.32
5.41 - 5.55	.37	12.52 - 12.66	.85	19.63 - 19.77	1.33
5.56 - 5.70	.38	12.67 - 12.81	.86	19.78 - 19.92	1.34
5.71 - 5.85	.39	12.82 - 12.96	.87	19.93 - 20.07	1.35
5.86 - 5.99	.40	12.97 - 13.11	.88	20.08 - 20.22	1.36
6.00 - 6.14	.41	13.12 - 13.25	.89	20.23 - 20.37	1.37
6.15 - 6.29	.42	13.26 - 13.40	.90	20.38 - 20.51	1.38
6.30 - 6.44	.43	13.41 - 13.55	.91	20.52 - 20.66	1.39
6.45 - 6.59	.44	13.56 - 13.70	.92	20.67 - 20.81	1.40
6.60 - 6.74	.45	13.71 - 13.85	.93	20.82 - 20.96	1.41
6.75 - 6.88	.46	13.86 - 13.99	.94	20.97 - 21.11	1.42
6.89 - 7.03	.47	14.00 - 14.14	.95	21.12 - 21.25	1.43

The state, county, and premier resort area tax equals 27¢ for each $4 of sales, plus the tax shown above for the fractional part of $4.

APPENDIX H

BUNDLED TRANSACTION FLOWCHART

TO DETERMINE IF THE RETAIL SALE OF 2 OR MORE PRODUCTS IS A BUNDLED TRANSACTION



NOTES TO BUNDLED TRANSACTION FLOWCHART

1. If a transaction does not contain the retail sale of 2 or more products, the transaction is not a bundled transaction and the tax treatment of the transaction follows the tax treatment of the individual product being sold.

   "Retail Sale" means any sale, license, lease or rental for any purpose other than resale, sublease, or subrent, regardless of whether the product sold is taxable or nontaxable.

   "Product" includes tangible personal property, and items, property, and goods under sec. 77.52(1) (b), (c), and (d), Wis. Stats., and services.

2. A transaction that includes real property or services to real property is specifically excluded from the definition of a bundled transaction. See secs. Tax 11.67 and 11.68, Wis. Adm. Code, to determine the tax treatment of these transactions.

3. The tax treatment of the transaction follows the tax treatment of the individual product(s) being sold.

4. "Distinct and identifiable product" does not include (a) packaging, including containers, boxes, sacks, bags, bottles, and envelopes and other materials, including wrapping, labels, tags and instructional guides that accompany and are incidental or immaterial to the retail sale of any product, and (b) a product that is provided free of charge to the consumer in conjunction with the required purchase of another product if the sales price does not vary depending on whether the product provided free of charge is included in the transaction. (Note: If a transaction is not a bundled transaction because one product is provided free of charge with the required purchase of another product, the person providing the free product is the consumer of the free product and is required to pay the applicable Wisconsin sales or use tax on his or her purchase price of that product.)

5. "One nonitemized price" does not include a price that is separately identified by product on a binding sales document or other sales-related document that is made available to the customer in paper or electronic form, including an invoice, a bill of sale, a receipt, a contract, a service agreement, a lease agreement, a periodic notice of rates and services, a rate card or a price list. (**Note:** If the products are not sold for one nonitemized price, the transaction is not a bundled transaction and the tax treatment of the price associated with each of the products follows the tax treatment of each individual product being sold.)

6. The tax treatment of the transaction depends on the service being provided. However, in either case, the service provider is the consumer of the tangible personal property, items, property, or good under sec. 77.52 (1) (b), (c), or (d), Wis. Stats., or other service provided that is not the true objective of the transaction and is required to pay the applicable Wisconsin sales or use tax on his or her purchase price of that property, item, good, or service.

7. The percentage of taxable items included in a transaction is computed by the seller using either the seller's purchase price or sales price, but not a combination of both, or, in the case of a service contract, the full term of the service contract.

8. The transaction is not subject to Wisconsin sales or use tax per sec. 77.54 (51), Wis. Stats. However, the first person combining the products is required to pay the applicable Wisconsin sales or use tax on his or her purchase price of the taxable products included in the transaction.

9. The transaction is not subject to Wisconsin sales or use tax per sec. 77.54 (52), Wis. Stats., and the first person combining the products is NOT required to pay Wisconsin sales or use tax on his or her purchase price of the taxable products included in the transaction.

10. The entire sales price is subject to Wisconsin sales or use tax. Exception: If the retailer can identify, by reasonable and verifiable standards from its books and records that are kept in the ordinary course of its business, the portion of the sales price that is attributable to products that are not subject to Wisconsin sales or use tax, the retailer may, at its option, not charge Wisconsin sales or use tax on that portion of the transaction. However, the retailer does not have this option if the transaction contains food and food ingredients, drugs, durable medical equipment, mobility-enhancing equipment, prosthetic devices, or medical supplies.

APPENDIX I

STATE, COUNTY, AND STADIUM SALES AND USE TAXES DUE ON ITEMS REGISTERED OR TITLED IN WISCONSIN

Description of Transaction	Motor vehicle, boat, recreational vehicle as defined in sec. 340.01(48r), Wis. Stats., and aircraft	Snowmobile, trailer that is not a recreational vehicle as defined in sec. 340.01(48r), Wis. Stats.,* semitrailer, all-terrain vehicle, utility terrain vehicle, and off-highway motorcycle
• Sale in a Wisconsin county with a county tax and the county is not part of a stadium district. • Buyer brings back to and keeps at a Wisconsin location outside of the county where the purchase occurred.	Seller owes 5% state sales tax and any applicable local (i.e., county and/or stadium) use taxes in effect for the location where the item is customarily kept.	Seller owes 5% state tax and 0.5% county tax for county in which the sale occurred. No additional county or stadium use tax is due.
• Sale in a Wisconsin county with a county tax that is also within the baseball stadium district. • Buyer brings back to and keeps at a Wisconsin location outside of the county where the purchase occurred.	Same tax treatment as above.	Seller owes 5% state tax, the 0.5% county tax for county where sale occurred, and the 0.1% baseball stadium sales tax. No additional county or stadium use tax is due.
• Sale in a Wisconsin county without a county tax and that is not part of a stadium district. • Buyer brings back to and keeps at a Wisconsin location outside of the county where the purchase occurred.	Same tax treatment as above.	Seller owes 5% state tax. **Note:** If a buyer stores, uses, or otherwise consumes the item in a taxable county and/or stadium district, the buyer owes the applicable county and/or stadium tax for the location where the item is first stored, used, or otherwise consumed. The seller may choose to collect this tax for the convenience of the buyer.
• Sale in Wisconsin county without a county tax and that is within a stadium district. • Buyer brings back to and keeps at a Wisconsin location outside of the county where the purchase occurred.	Same tax treatment as above.	Seller owes 5% state tax and the applicable stadium tax (i.e., baseball or football**) based on where sale occurred. No additional county or stadium use tax is due.

*"Recreational vehicle" is defined in sec. 340.01(48r), Wis. Stats., to mean a vehicle that is designed to be towed upon a highway by a motor vehicle, that is equipped and used, or intended to be used, primarily for temporary or recreational human habitation, that has walls of rigid construction, and that does not exceed 45 feet in length. Therefore, recreational campers with rigid walls that do not exceed 45 feet in length, such as travel trailers, fifth-wheel trailers, are considered to be "recreational vehicles."

**The football stadium tax ended on September 30, 2015.