

Important Rate Changes!

- Racine County tax begins April 1, 2025
- Manitowoc County tax 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.

Sales and Use Tax Information for Schools

Includes information for:

- **Elementary and Secondary Schools**
- **Related Organizations**

Table of Contents

	Page
I. GENERAL	3
A. Introduction.....	3
B. Definitions.....	3
C. What is a School?.....	4
D. What is Not a School?.....	4
II. NATURE OF SALES AND USE TAX	4
A. Who is Subject to Sales Tax?	4
B. What is Taxable?	4
C. What is Use Tax?.....	5
D. Seller's Permit	5
III. SALES BY SCHOOLS.....	5
A. Sales of Tangible Personal Property, Items, Property, and Goods Are Exempt	5
B. Sales of Services May Be Taxable	6
IV. EXEMPT OCCASIONAL SALES BY SCHOOLS	8
A. The School is Not Engaged in a Trade or Business.	8
B. Entertainment is Not Involved at an Event for Which Charges Constitute Admissions.	8
V. PURCHASES BY SCHOOLS	9
A. Purchases Are Exempt.....	9
B. Furnishing Proof of Exemption to Seller	9
C. Purchases of Meals and Lodging	10
VI. CONSTRUCTION OF A SCHOOL.....	11
A. Real Property Improvements.....	11
B. Tangible Personal Property	12
VII. SCHOOL-RELATED ORGANIZATIONS AND OTHERS - THEIR TAX TREATMENT	12
A. School-Related Organizations.....	12
B. Others, Such as Retailers Selling Through Schools	14
VIII. KEEPING AWARE OF NEW SALES AND USE TAX DEVELOPMENTS.....	14
IX. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE?.....	14

IMPORTANT CHANGES

Football Stadium Tax in Brown County Ends September 30, 2015. Page 3.

I. GENERAL

A. Introduction

This publication explains how Wisconsin state sales and use taxes affect Wisconsin elementary and secondary schools, as well as school-related organizations.

Sales and purchases by schools that are subject to the 5% state sales or use tax may also be subject to the (1) 0.5% county sales or use tax, (2) 0.1% baseball stadium sales or use tax, (3) 0.5% football stadium sales or use tax (ends September 30, 2015), and (4) local exposition taxes. Additional information about these taxes is contained in the following:

1. County tax: [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Section XVIII.
2. Baseball stadium tax: [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Section XVIII. Applies to sales and purchases made in Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties.
3. Football stadium tax: [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Section XVIII. Applies to sales and purchases made in Brown County. **Note:** The football stadium tax ends September 30, 2015.
4. Local exposition taxes: [Publication 410](#), *Local Exposition Taxes*. These taxes apply to sales and purchases of certain lodging, food and beverages, and car rentals in municipalities located wholly or partially within Milwaukee County.

CAUTION

- The information in this publication reflects the positions of the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature and in effect as of July 1, 2015. Laws enacted and in effect after that date, new administrative rules, and court decisions may change the interpretations in this publication.
- The examples and lists of taxable and nontaxable sales are not all-inclusive. They merely set forth common examples.

B. Definitions

- “Schools,” as used in this publication, means Wisconsin “elementary schools” and “secondary schools,” except where noted.
 - “Elementary school” means a school which provides kindergarten and/or any of the first eight grades of a 12-grade system.
 - “Secondary school” means a school providing any of the grades 9 through 12 of a 12-grade system. It includes junior and senior trade schools described in [sec. 119.30](#), Wis. Stats. A secondary school may also be referred to as a “high school.”

- "School district" means the territorial unit for school administration. School districts are classified as common, union high, unified and 1st class city school districts. A joint school district is one the territory of which is not wholly in one municipality.

C. What is a School?

An elementary school or secondary school may be a public school or it may be a parochial or private school, but both of the following must apply to the school:

1. It must be an educational institution having a regular curriculum offering courses for at least 6 months in the year, **and**
2. It must not be operated for profit.

D. What is Not a School?

Elementary or secondary schools do not include the following schools which do not offer systematic instruction of the scope and intensity common and comparable to elementary and secondary schools. The following are not elementary or secondary schools (list is not all-inclusive):

- Art schools
- Charm schools
- Dance schools
- Driving schools
- Flying schools
- Modeling schools
- Music schools

Elementary or secondary schools also do not include school-related organizations (such as parent-teacher associations or booster clubs) which are not subject to the control and supervision of school officials. Such organizations are not entitled to the same sales and use tax exemptions as elementary and secondary schools. (See Part VII. for the tax treatment of school-related organizations.)

Additional information can also be found in the following:

- Tax release titled "[Sales and Purchases by School Districts](#)," which was published in *Wisconsin Tax Bulletin* #79 (October 1992); and
- Section [Tax 11.03](#), Wis. Adm. Code (November 2010 Register), titled "Schools and related organizations."

II. NATURE OF SALES AND USE TAX

A. Who is Subject to Sales Tax?

Persons who make retail sales of taxable products or services in Wisconsin are required to collect and remit Wisconsin sales tax on these sales, unless an exemption applies. Schools, department stores, and restaurants are examples of persons who make retail sales of taxable products and services. The law gives the seller the right to collect the tax from the consumer or user (that is, the purchaser).

B. What is Taxable?

Although many of a school's sales are exempt from tax, the general sales and use tax treatment is provided below. Also, see Part III. for examples.

Sales, licenses, leases, and rentals of the following property, items, and goods are subject to the 5% Wisconsin state sales tax:

1. Tangible personal property;
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.

In addition, certain services are subject to Wisconsin sales and use taxes. For a list of taxable services, see *Answer 3* of [What is Taxable? Common Questions](#), on the department's website.

C. What is Use Tax?

Although a school is not subject to use tax, the general use tax treatment is provided below. Also see Part V.

Use tax is imposed upon the storage, use, or other consumption in Wisconsin of taxable products or services for which sales tax was not paid, unless an exemption applies. Use tax is also imposed upon a purchaser when products are purchased for an exempt purpose or without tax from an out-of-state company and are stored, consumed, or used by the purchaser in a taxable manner. The use tax is the same rate as the sales tax and is based on the purchase price of the product.

D. Seller's Permit

A seller's permit shows that a person (such as a school) is properly registered with the Department of Revenue to make taxable sales. If a school does not have a seller's permit but engages in the business of selling taxable products or services at retail in Wisconsin, it must register with the department.

See Part III. of [Publication 201](#), *Wisconsin Sales and Use Tax Information*, for information about how to obtain a seller's permit.

Information about filing sales and use tax returns is also provided in [Publication 201](#), Part VIII.

Note: A school does not need a seller's permit if all of its sales qualify as exempt occasional sales. See Part IV. for information about the occasional sale exemption.

III. SALES BY SCHOOLS

A. Sales of Tangible Personal Property, Items, Property, and Goods Are Exempt

All sales and rentals of tangible personal property, and items, property, and goods listed in Part II.B.1. through 4. by schools are exempt from Wisconsin sales and use tax. This exemption applies regardless of whether the school's sales qualify as "exempt occasional sales" described in Part IV.

Examples of exempt sales and rentals include:

- Books
- Bulletins, directories, and magazines

- Calendars
- Candy
- Clothing
- Computers
- Gift stand and gift shop sales
- Hats
- Locks
- Motor vehicles
- Musical instruments
- Paper, pencils, notebooks, folders, and other school supplies
- Photocopies
- Prepared foods
- School lunches
- Soft drinks
- Sports equipment
- Uniforms
- Used school equipment
- Vending machine sales
- Yearbooks and annuals

B. Sales of Services May Be Taxable

Although sales of tangible personal property, items, property, and goods listed in Part II.B.1. through 4. by schools are exempt from Wisconsin sales and use tax, a school's sales of certain services are taxable.

1. **Taxable Services:** Only selected services are subject to the sales and use tax. The school must keep records of its receipts from taxable services. Examples of services that are taxable when sold by a school are (list is not all-inclusive):

- a. Parking
- b. Charges for the use of auditoriums, gymnasiums, swimming pools, tennis courts, ball diamonds, and other multipurpose facilities, including any charges for lights, heat, and cleaning, when used by persons for their own amusement, athletic, entertainment, or recreation purposes. (See Part III.B.2.f. for information about nontaxable charges for multipurpose facilities.)
- c. Admissions sold to the general public that allows them to participate in the following activities at the school, except admissions to school activities (see Note):
 - Baseball
 - Basketball
 - Dance
 - Golfing
 - Racquetball
 - Softball
 - Swimming
 - Tennis
 - Volleyball

Note: Admissions to school activities (for example, band concert, football game) are exempt from tax. (See Part III.B.2.e.) However, when the facility is for use by the general public, it is not considered a “school activity” and admission fees are subject to sales tax.

2. **Nontaxable Services and Charges:** The school should keep records showing the amounts received from nontaxable services and charges and a description of such services and charges. Examples of a school's exempt receipts include:

- a. Sales of tickets or admissions to school activities such as:
 - Athletic events (for example, high school football games)
 - Art and science fairs

- School concerts, dances, film or other exhibits, lectures, and school plays

The admission fees are only nontaxable if the event is sponsored by the school, the school has control over purchases and expenditures, and the net proceeds are used for educational, religious, or charitable purposes. If all of these conditions are not met, the admission fees are taxable.

Caution: Admissions paid by persons to use a recreational facility are taxable when the recreational facility is open for use to the general public as explained above in the Note in Part III.B.l.c. Such use of the facility by the general public is not considered a “school activity” and, therefore, is subject to sales tax.

- b. Library and book fines
- c. Tuition and course instruction fees
- d. Dormitory or housing charges, and furnishing rooms and lodging to students and nonstudents
- e. Charges for student awards banquets or ceremonies
- f. Charges for the use of auditoriums, gymnasiums, swimming pools, tennis courts, ball diamonds, and other multipurpose facilities when any one of the following applies:
 - 1) ***The person or organization uses the facility for a nonrecreational type of event*** (for example, religious meetings, graduation ceremonies, political meetings, trade shows, antique shows).

Records to Keep: The school should keep records showing the amount it received for this purpose and the name and address of the person or organization who paid the school for use of the facility.

- 2) ***The organization paying the school for use of the facility is exempt from tax***, including nonprofit organizations such as churches, other Wisconsin elementary or secondary schools, Wisconsin cities, villages, townships, Wisconsin and federal government agencies, and any other nonprofit organization operated exclusively for religious, charitable, scientific, or educational purposes.

Records to Keep: If the organization is a federal governmental unit or a Wisconsin state or municipal governmental unit or other Wisconsin public school, the school must keep a copy of the purchase order from such organization and a record of the amount received. **CAUTION:** Sales to a non-Wisconsin state or municipal governmental unit or public school are subject to tax.

If the organization (for example, church) has a Certificate of Exempt Status number (CES number), the CES number should be recorded on the invoice or bill. Nonprofit organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes may apply to the Department of Revenue for a “Certificate of Exempt Status” and if approved, will be issued a CES number by the department.

Note: If a qualifying nonprofit organization is not located in Wisconsin, the organization is not required to obtain a Wisconsin CES number. The organization should provide the school with a fully completed exemption certificate ([Form S-211](#) or Form [S-211-SST](#)) claiming the exemption for organizations organized and operated exclusively for religious, charitable, scientific or educational purposes. See the tax release titled "[Out-of-State Nonprofit Organizations](#)," that was published in *Wisconsin Tax Bulletin* #55 (April 1988) for additional information.

- 3) *The facility will be used for recreation, amusement, or entertainment, but the person paying the school sells admissions to the public.*

Example: A person pays \$100 to the school to use the gym. The person then sells admissions to the public for a basketball tournament that the person is sponsoring. The \$100 sale is exempt from sales tax because it is considered a sale for resale.

Records to Keep: The purchaser must provide the school with a fully completed exemption certificate ([Form S-211](#) or [Form S-211-SST](#)) claiming resale.

For additional information about rentals of multipurpose facilities, see [Fact Sheet 2107](#), *Rentals of Multipurpose Facilities*.

IV. EXEMPT OCCASIONAL SALES BY SCHOOLS

A school's sales of tangible personal property, and items, property, and goods listed in Part II.B.1. through 4. are exempt from Wisconsin sales and use tax. (See Part III.A.) A school's sales of taxable services may also be exempt from sales and use tax if its sales qualify as exempt occasional sales. A seller's permit is not needed by a school if all of its sales qualify for exemption.

Note: A school's sale of the following are exempt from tax, regardless of whether the school's sales qualify as exempt occasional sales:

- Sales of tangible personal property, and items, property, and goods listed in Part II.B.1. through 4.; and
- Admissions to school activities where the entire net proceeds are used for educational, religious, or charitable purposes.

In order for the school's sales to qualify as exempt occasional sales, **both** A. and B., below, must apply.

A. The School is Not Engaged in a Trade or Business.

A school is engaged in a trade or business if its taxable sales of services (not including sales of tickets to school activities), or its events, occur on more than 20 days during the year. However, if the school's taxable receipts from sales of services do not exceed \$25,000 for the year, it is not considered to be engaged in a trade or business, even if its sales and events occur on more than 20 days.

Note: A school's exempt sales of tangible personal property and items, property, and goods listed in Part II.B.1. through 4. and admissions to school activities are not counted toward the \$25,000 standard.

B. Entertainment is Not Involved at an Event for Which Charges Constitute Admissions.

For this purpose, "entertainment" means entertainment provided at an "admission" event by all persons or groups (such as bands or singers) who are paid in the aggregate \$500 or more per event by all persons for performing, as prize money or for reimbursement of expenses.

"Admissions" are deemed to be involved if access to the event involving entertainment is generally restricted to only those who pay a required fee, make a required "donation" or who must make a purchase of some kind (including a meal, raffle ticket, etc.).

Note: If a school's sales do not qualify as exempt occasional sales because it holds an admission event where entertainment is involved, the school's sales of admissions to school activities and sales of tangible personal property

and items, property, and goods listed in Part II.B.1. through 4. are still exempt from tax. Only sales of services (other than admissions to school activities), as explained in Part III.B.1., are subject to tax.

A school that would otherwise qualify for the occasional sale exemption, except for the involvement of entertainment, may do the following:

- Obtain a seller's permit from the Department of Revenue for the day or days of the event involving entertainment,
- Pay the sales tax on sales of taxable services on these days, and
- Request inactivation of the seller's permit after the event by contacting the Department of Revenue. (See Part VIII. of [Publication 206](#).)

If the above three steps have been taken, the school may still make exempt occasional sales of services on days not covered by the permit.

Note: Days and receipts from events involving admissions to entertainment events for which a seller's permit was obtained are included with other sales in determining the 20-day test and the \$25,000 taxable receipts test in Part IV.A.

Caution: A school that obtains a seller's permit for an event and does not request inactivation of the seller's permit after the event does not qualify for the occasional sale exemption on sales of taxable services subsequent to the event, regardless of the number of days and dollar amount of its sales. The school's sales of tangible personal property and items, property, and goods listed in Part II.B.1. through 4. are still exempt from tax.

Additional information about the occasional sale exemption for nonprofit organizations, such as schools, is available in the following:

- [Publication 206](#), *Sales and Use Tax Exemption for Nonprofit Organizations*
- [Fact Sheet 2106](#), *Occasional Sale Exemption for Nonprofit Organizations*

V. PURCHASES BY SCHOOLS

A. Purchases Are Exempt

All purchases of tangible personal property, and items, property, and goods listed in Part II.B.1. through 4., and taxable services by a Wisconsin public school or a private or parochial school are exempt from Wisconsin sales and use tax. (See Part V.C. below for purchases of meals and lodging.)

B. Furnishing Proof of Exemption to Seller

1. Public Schools

Wisconsin Public Schools - When a public school (an elementary or high school controlled by a local Wisconsin governmental authority) purchases tangible property, items, property, or goods listed in Part II.B.1. through 4., or taxable services, it should furnish the seller a copy of the school's purchase order. The seller is required to keep the purchase order as part of his or her records to prove that the sale to the school is exempt from sales and use tax.

Non-Wisconsin Public Schools - A non-Wisconsin public school's purchases are not exempt from Wisconsin sales or use taxes.

2. *Private or Parochial Schools*

Wisconsin Private or Parochial Schools - A private or parochial school that meets the definition of an elementary or secondary school in Part I.A. should give its Certificate of Exempt Status (CES) number to the seller. The seller should record the CES number on its copy of the invoice or bill of sale as part of his or her records to prove that the sale to the school is exempt from sales and use tax.

A private or parochial school may apply for a Certificate of Exempt Status number by sending a completed *Application for a Certificate of Exempt Status* ([Form S-103](#)) to the Department of Revenue. If the application is approved, a CES number will be issued to the school.

Non-Wisconsin Private or Parochial Schools - Purchases by a non-Wisconsin private or parochial school are exempt from Wisconsin sales and use taxes if the school is organized and operated exclusively for religious, charitable, scientific or educational purposes. A non-Wisconsin qualifying school is not required to obtain a CES number in order to make exempt purchases. The school should provide the vendor with a fully completed exemption certificate ([Form S-211](#) or [Form S-211-SST](#)) claiming the exemption for organizations organized and operated exclusively for religious, charitable, scientific or educational purposes.

See the tax release titled "[Out-of-State Nonprofit Organizations](#)," that was published in *Wisconsin Tax Bulletin* #55 (April 1988) for additional information.

C. **Purchases of Meals and Lodging**

Restaurants, motels, and others sell meals and lodging to schools or to their employees or students under various situations. This section only relates to sales to exempt schools (i.e., private or parochial schools and Wisconsin public schools).

Note: For purposes of this publication, "meal" refers to prepared food, which is taxable. Also note that sales of candy, soft drinks, and dietary supplements are taxable.

In order for sales of meals or lodging to a school to be exempt from Wisconsin sales and use tax, the following two conditions must occur:

1. The seller (such as a motel or restaurant) issues the billing or invoice for the meal or lodging in the name of the school. **Note:** The billing or invoice may be made out in both the name of the school and the employee, as long as the school is one of the parties listed as the purchaser.
2. The seller (such as a motel or restaurant) receives one of the following from the school:
 - A purchase order or similar written document identifying the school as the purchaser, such as a letter from the school indicating that the employee or student is traveling on school business and the school will provide funds to the employee to pay any expenses;
 - A properly completed exemption certificate ([Form S-211](#) or [Form S-211-SST](#)); or
 - The school's CES number which the seller records on its copy of the invoice or bill that it retains as part of its records.

If both of the above conditions are met, the purchases by the school are exempt from Wisconsin sales and use tax, regardless of whether the school or its employee pays the seller for the purchase of the meal or lodging.

Note: The seller must keep a copy of the documents mentioned in 1. and 2., above, to substantiate that the sale was exempt from Wisconsin sales and use tax.

Example 1: A school employee, when purchasing a meal, gives a letter to the restaurant from the school indicating that the employee is on school business and the school authorizes the employee to purchase meals relating to school business. The bill is made in the name of the school. The employee pays the bill with his or her own funds and is subsequently reimbursed by the school. This is an exempt sale to the school.

Example 2: A student traveling on school business purchases a meal and lodging. The seller's billing is made in the name of the school and the school directly pays the seller for the meal and lodging. This sale of the meal and lodging is exempt from sales tax because the sale is made to the school, rather than to the student.

Example 3: An employee of a school purchases lodging at a motel. The employee presents the motel with a letter stating that the employee is on school business and the school authorizes the employee to purchase lodging relating to school business. The billing is made in both the employee's name and the name of the school. The employee pays the bill with his or her own funds. The employee is subsequently reimbursed by the employer (school) for the lodging. This sale is exempt from sales tax because the sale is made to the school, rather than to the employee.

Example 4: An employee of a school purchases lodging at a motel. The billing is made in the employee's name and the employee pays the bill with his or her own funds. The employee is subsequently reimbursed by the employer (school) for the lodging. This sale is taxable because it is a sale to the employee, rather than to the school. (**Note:** The two conditions listed above were not met.)

VI. CONSTRUCTION OF A SCHOOL

A. Real Property Improvements

The sale or purchase of a real property improvement is not subject to sales or use tax. The contractor that makes the real property improvement must pay sales or use tax on its purchases of the materials used in making the real property improvement.

Even though a contractor is constructing, altering, repairing, or improving real property for a school, the sale of building materials to the contractor is taxable. The reason for this treatment is that the contractor is the consumer of the building materials used in constructing, altering, repairing, or improving the real property, and there is no provision in the law that allows the school's exempt status to flow through to the contractor or other third party.

Even if the contractor directly sells the building materials to the exempt entity and later installs the materials in the improvement or construction of real property for the exempt entity, the contractor is the consumer of such materials and is liable for Wisconsin sales or use tax on its purchase of such materials. The contractor may not claim the resale exemption on materials that it uses in the improvement or construction of real property. This tax treatment applies, regardless of whether the contractor sells the materials and the installation labor under the same or separate contracts.

A school's purchase of materials directly from a vendor is exempt from tax. If the school hires a contractor to install the materials as a real property improvement, the contractor's charge for installing the materials is not taxable. **Caution:** If the installing contractor is a former owner of the materials used in making the real property improvement, the contractor is the consumer of the materials and is liable for Wisconsin sales or use tax on its purchase of such materials.

For additional information, please refer to the following:

- Tax release titled "[Purchases of Building Materials by Exempt Entities for Use by Contractor in Real Property Construction](#)," which was published in the *Wisconsin Tax Bulletin* #115 (October 1999);

- Part IV.A. of [Publication 207](#), *Sales and Use Tax Information for Contractors*; and
- Section [Tax 11.04](#), Wis. Adm. Code (August 2012 Register), titled “Constructing buildings for exempt entities.”

B. Tangible Personal Property

Certain items retain their character as tangible personal property after installation. The contractor may purchase the materials that it physically transfers to the school in its sale of such tangible personal property without tax by providing its supplier with an exemption certificate ([Form S-211](#) or [Form S-211-SST](#)) claiming resale. The sale of the property to the school is exempt from sales and use tax.

The following items are tangible personal property when installed in schools, regardless of the extent to which they are affixed to the real property:

- Advertising signs
- Auditorium seating
- Basketball backboards and rims
- Cabinets, except in bathrooms and janitor closets
- Chalk boards
- Classroom tables, desks, and chairs
- Coat racks
- Coolers, except where at least one wall is wall of the building
- Desk storage units
- Display cases
- Drapery tracks
- Flag poles, except their concrete foundations
- Food service equipment
- Gym equipment
- Home economics equipment
- Industrial arts equipment
- Intercoms and sound paging systems
- Laboratory cabinets, tables, sinks
- Library equipment
- Lockers
- Projection screens
- Partitions (movable or portable) that are not physically attached to the floor or ceiling
- Public address systems
- Shade hardware
- Stage Equipment
- Storage shelving
- Tack boards
- Telephone and other communications equipment
- Trophy cases
- Telephone booths
- Vault doors

For a more detailed listing of real vs. tangible personal property, refer to the chart at the end of [Publication 207](#), *Sales and Use Tax Information for Contractors*. **Note:** For purposes of the chart, a school is considered a commercial building.

VII. SCHOOL-RELATED ORGANIZATIONS AND OTHERS - THEIR TAX TREATMENT

A. School-Related Organizations

The sales and use tax treatment of school-related organizations, such as parent-teacher associations and booster clubs, depends upon whether or not the organization is subject to the control and supervision of the school and whether the school or the school-related organization has control over the use of the organization's funds.

A school may require the organization to retain its funds in the school's accounting system and may have some restrictions about how the organization's funds are used, but if the school cannot withhold the organization's funds, the organization makes the ultimate decisions as to how the funds are used, and the reserve balances do not become the property of the school (that is, balances are carried forward from year to year for the organization's use), the organization is treated as a separate organization from the school.

1. School has control over the school-related organization's funds

If the school has control over the school-related organization's funds, the school-related organization is not treated as a separate organization from the school.

Example: Booster Club sells concessions at high school football games. The money raised is for new athletic equipment for the school. The receipts are put into a school checking account. The members of Booster Club vote on recommendations for the funds. The school usually spends the money on Booster Club's recommendations, but it is the school's decision what the funds will be used for. Booster Club is not treated as a separate organization from the school.

Purchases - If the school has control over the school-related organization's funds, the purchases are considered to be made by the school and qualify for exemption.

Sales - If the school has control over the school-related organization's funds, the school is considered to be making the sales. The tax treatment of sales by schools is provided in Parts III. and IV. Sales made by the school-related organization are counted as the school's sales when determining whether the occasional sales exemption in Part IV. applies. If the school has or is required to have a seller's permit, the school must include the school-related organization's taxable receipts when filing its Wisconsin *Sales and Use Tax Return*.

2. School does not have control over the school-related organization's funds

If the school does not have control over the school-related organization's funds, the school-related organization is treated as a separate organization from the school.

Example: Booster Club sells concessions at high school football games. The money raised is for new athletic equipment for the school. The receipts are put into a school checking account. The members of Booster Club vote on recommendations for the funds. The school has a restriction that the Booster Club funds must be used for equipment for existing athletic program, and cannot be used for equipment to create a new athletic program. It is Booster Club's decision what equipment will be purchased. The school may not withhold Booster Club's funds, and any balance in Booster Club's account will be carried forward to the next year for Booster Club's use. Booster Club is treated as a separate organization from the school.

Purchases - If the school does not have control over the school-related organization's funds, the school-related organization's purchases are not exempt as purchases by the school. If the organization is organized and operated exclusively for religious, charitable, scientific, or educational purposes, it may apply for a Certificate of Exempt Status (CES) by sending a completed *Application for a Certificate of Exempt Status (Form S-103)* to the Department of Revenue. If the application is approved, a CES number will be issued to the school-related organization.

Sales - If the school does not have control over the school-related organization's funds, the school-related organization, rather than the school, is making the sales. The school-related organization's sales of tangible personal property, and items, property, and goods listed in Part II.B.1. through 4., and taxable services are taxable, unless its sales qualify for occasional sale exemption.

Sales made by the school-related organization are not counted as the school's sales when determining whether the occasional sales exemption in Part IV. applies. The school's sales are also not counted as the school-related organization's sales when determining whether the occasional sales exemption in Part IV. applies.

If the school holds or is required to hold a seller's permit, the school-related organization may still qualify for the occasional sale exemption. The school may not report the taxable receipts of the school-related organization on its sales and use tax return (i.e., the school and the school-related organization must each file their own sales and use tax return if they each have a seller's permit).

See [Publication 206](#), *Sales Tax Exemption for Nonprofit Organizations*, for additional information regarding the sales tax status of fundraising events conducted by nonprofit organizations.

B. Others, Such as Retailers Selling Through Schools

Sales and rentals of class rings, photographs, books, and caps and gowns by retailers where the school acts as a collection agent for the retailer are subject to sales tax, whether or not the school receives a commission for the collection. The retailer, such as a photographer, is subject to the tax on these sales.

Example: Photographer takes pictures of each student. Parent may purchase a package of photographs for \$20. The school collects all of the money from parents. If a parent chooses to write a check, the parent writes the check to the school. The school keeps a 20% commission from the sales and gives Photographer 80%. The total amount of \$20 is subject to tax, since it is Photographer, rather than the school, that is selling the photograph packages.

VIII. 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. Check the [department's website](#) regularly for tax news and information.

The Department of Revenue also has several [electronic mailing lists](#) available to the public. The goal is to provide communication from the department to subscribers on information and news specific to the respective list they have signed up for.

IX. 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@revenue.wi.gov
Write . . .	Wisconsin Department of Revenue P.O. Box 8949, Mail Stop 5-77 Madison, WI 53708-8949
Telephone . . .	(608) 266-2776
Fax . . .	(608) 267-1030

You may also contact any of the Department of Revenue offices. Please see the department's website for a [listing of offices](#) and their current hours.