

**Important Rate Changes!**

**BEGINNING JANUARY 1, 2024:**

- Milwaukee County sales and use tax rate increases from 0.5% to 0.9%
- City of Milwaukee imposes a new 2% sales and use tax
- See [Fact Sheet 2414](#) *Milwaukee Sales and Use Taxes*

See the [Sales Tax Rate Chart](#) for a complete list of county sales and use tax rates and their effective dates

# Campgrounds

## How Do Wisconsin Sales and Use Taxes Affect Your Operations?

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## I. INTRODUCTION

This publication explains how Wisconsin sales and use taxes affect persons owning and operating campgrounds. The publication includes examples of taxable and nontaxable sales and purchases. The information in this publication relates to the state's 5% sales and use tax. Certain sales and purchases by campgrounds that are subject to the 5% state sales or use tax may also be subject to the: (a) 0.5% county sales or use tax, (b) 0.1% baseball stadium sales or use tax, (c) 0.5% football stadium sales or use tax, (d) local exposition taxes, and (e) 0.5% (1.25% for the City of Wisconsin Dells and the Village of Lake Delton) premier resort area sales tax.

Additional information about these taxes is contained in the following:

- (1) County tax: [Publication 201](#), *Wisconsin Sales and Use Tax Information*.
- (2) Baseball and football stadium tax: [Publication 201](#), *Wisconsin Sales and Use Tax Information*. Applies to sales and purchases made in Brown, Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties.
- (3) Local exposition taxes: [Publication 410](#), *Local Exposition Taxes*. Applies to sales of certain lodging, food and beverages, and car rentals in municipalities wholly or partially within Milwaukee County.
- (4) Premier resort area tax: [Publication 403](#), *Premier Resort Area Tax*. Applies to sales by certain types of retailers of any of the products described in Part III. in the premier resort areas.

[Publications 201](#), [410](#), and [403](#) are available on the department's website.

### 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 March 1, 2015. Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this publication. Also note that lists of taxable or exempt items in this publication are not all-inclusive. They merely set forth common examples.

## II. NATURE OF SALES AND USE TAX

### A. Who is Subject to Sales Tax?

Persons making retail sales of taxable products or services in Wisconsin are required to remit Wisconsin sales tax on these sales, unless an exemption applies. A seller making taxable sales may collect the tax from the consumer or user (i.e., the purchaser). Campgrounds, department stores, and restaurants are examples of the types of retailers who make sales of taxable products and services.

### B. What is Taxable?

Sales, licenses, leases, and rentals of tangible personal property, certain coins and stamps, certain leased property affixed to realty, certain digital goods, and certain services are subject to the 5% Wisconsin state sales tax.

For further information about these taxable products and services, see [Publication 201](#), *Wisconsin Sales and Use Tax Information*.

### C. What is Use Tax?

Use tax is imposed upon the storage, use, or other consumption in Wisconsin of taxable products and services for which Wisconsin 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 (e.g., without tax for resale) or without tax from an out-of-state company (e.g., online purchases where the seller did not charge Wisconsin sales tax) and are used in Wisconsin by the purchaser in a taxable manner. Therefore, a campground may be subject to use tax on its purchases if the seller did not charge Wisconsin sales tax.

The use tax rate is the same as the sales tax rate and is based on the purchase price of the product. Part IV. provides examples of purchases by a campground that may be subject to Wisconsin use tax.

### D. Seller's Permit

A seller's permit shows that a person (such as a campground) is properly registered with the Department of Revenue to make taxable sales. If a campground 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.

## III. CAMPGROUND'S SALES AND RENTALS TO CUSTOMERS

### A. Taxable Sales

Taxable sales by a campground include the following (this list is not all-inclusive):

#### 1. Admissions to Campgrounds

Receipts from admissions to campgrounds are subject to Wisconsin sales tax, regardless of whether the fees are collected on a daily, weekly, annual, or other basis.

**Exception:** Campground fees in Wisconsin state parks are not taxable.

#### 2. Lodging Services

Charges to stay in camping cabins, trailers, or recreational vehicles that are already set up on campsites are subject to Wisconsin sales tax (see Part IV.B.1.b. for information about a campground's purchase of camping cabins, trailers and recreational vehicles) as both a sale of lodging and admission to a recreational facility.

**Caution:** While lodging services are exempt from tax if the lodging is provided for a continuous period of one month or more, the tax on admissions to a campground does not have this same limitation. Therefore, when a customer rents a cabin, trailer, or recreational vehicle already set up at a campground site, the charge is both lodging and admission and is subject to tax, regardless of the length of time it is rented for.

See Part IV.B.1.c. for additional information on a campground's purchases of items that are furnished to campers with lodging services.

### 3. Electricity

A campground's charge for electricity with a campsite is subject to Wisconsin sales tax.

See Part IV.A. for information about a campground's purchase of electricity.

### 4. Internet Access Services

Charges by a campground for Internet access services are taxable.

### 5. Campground Packages

The entire charge for campground packages, which includes admission to the campground and its facilities, along with other taxable or nontaxable property or services, is subject to Wisconsin sales tax, assuming more than 10 percent of the purchase price and sales price of the package is related to taxable products (e.g., prepared food, admissions).

**Example:** Campground offers a lodging package for \$270. The package includes use of a cabin and recreational facilities at the campground for one weekend, guide service, and the use of a local waterpark. The entire \$270 is subject to Wisconsin sales tax.

### 6. Sales of Tangible Personal Property

Sales of tangible personal property are subject to Wisconsin sales tax and include the following:

- Baby care supplies, such as diapers, wipes, pacifiers, bottles, and rattles
- Cigars, cigarettes, tobacco and lighters
- Clothing
- Electrical supplies, such as flashlights and batteries
- Firewood
- Grilling supplies, such as charcoal, charcoal starter fluid, and matches
- Hygiene products, such as soap, shampoo, combs, shaving cream, and razors
- Ice blocks
- Magazines
- Medical supplies and first aid products, such as aspirin, bandages, cough drops, ointment, and sunscreen
- Paper and plastic products, such as napkins, paper towels, paper plates, and plastic utensils
- Pet food and supplies, such as collars, flea and tick spray, dog biscuits, and pet toys
- Postcards
- Reading materials, such as books and magazines (newspapers are not subject to tax)
- Souvenirs
- Toiletries, such as facial tissue, toothpaste, and toothbrushes
- Toys and games

### 7. Rentals of Tangible Personal Property

Charges for the rental of the following tangible personal property are subject to Wisconsin sales tax:

- Boats

- Bicycles
- Charcoal grills
- Inflatable rafts and tubes
- Picnic tables
- Pop-up campers
- Roller skates
- Scooters
- Skis
- Tents

## 8. Admissions to Recreational Activities

Admissions to the following amusement, athletic, entertainment, or recreational events or places are subject to Wisconsin sales tax:

- Driving ranges
- Golf courses
- Hayrides
- Hunting land and fishing ponds
- Horseback and pony rides
- Swimming pools
- Tennis courts
- Water parks

**Note:** Charges for the rental of pavilions, dance halls and other campground facilities are taxable if the campground facility is rented for an amusement, athletic, entertainment, or recreational function (e.g., family reunion).

## 9. Cover Charges

Cover or minimum charges which entitle customers to receive entertainment are subject to Wisconsin sales tax.

**Example:** A campground provides entertainment in its bar on Saturday nights. Everyone entering the bar after 8:00 p.m. is charged a \$5 cover charge. The \$5 charge is subject to Wisconsin sales tax.

## 10. Food and Beverages

Sales of prepared foods, candy, soft drinks, alcoholic beverages, and dietary supplements are subject to Wisconsin sales tax. Examples of taxable food and beverage sales include:

- Beer
- Candy (e.g., candy bars, caramel popcorn, marshmallows that do not contain flour)
- Chewing gum
- Coffee
- Energy drinks
- Foods and beverages sold in a heated state (e.g., pizza, hot dogs, hamburgers, French fries)
- Ice cream served on a cone or in a bowl

- Juices that contain sweeteners and 50% or less fruit or vegetable juice by volume
- Nuts that are candy, such as honey roasted or chocolate covered peanuts
- Popcorn (popped by campground)
- Soft drinks
- Soft serve ice cream
- Water, sweetened

See [Publication 220](#), *Grocers*, and [Publication 236](#), *Restaurants and Bars*, for additional information.

## 11. Vending Machines, Video Games, Amusement Devices, and Video Gambling Machines

If the campground “controls” or is the “operator” of a vending machine, video game, amusement device, or video gambling machine, the campground’s receipts from its sales of taxable products from admissions to those devices are subject to Wisconsin sales tax.

A campground is considered to have “control” over or be the “operator” of a vending machine, video game, amusement device, or video gambling machine if: (1) the campground has the right to access the machine for stocking, restocking, or removing the receipts from the machine, or (2) the campground owns the tangible personal property or items, property, or goods, sold through the machine.

If the campground does not have "control" over and is not the "operator" of the vending machine, video game, amusement device, or video gambling machine, but instead receives commissions from a third party who "controls" or is the "operator," the campground's commissions are not subject to Wisconsin sales or use tax. The third party is responsible for reporting Wisconsin sales tax on the total sales from the machines, without any deduction for the commission paid.

### a. Vending Machines

#### 1. Taxable Vending Machine Sales

Sales of food, food ingredients, and beverages from vending machines are subject to Wisconsin sales tax if the item being sold meets the definition of “candy,” “dietary supplement,” “soft drink,” or “prepared food,” as defined in [Publication 220](#). In addition to the taxable food, food ingredients, and beverages sold in vending machines, other tangible personal property such as cigars, cigarettes, hygiene products, sunscreen, vitamins, toys, and toiletries are also subject to tax as described previously in Part III.A.6.

**Note:** The campground may include the sales tax in the price it charges its customer for items in vending machines by conspicuously posting a notice indicating its prices include Wisconsin sales tax. Campgrounds that post this notice may calculate the taxable selling price by dividing their total receipts from these transactions by one plus the tax rate, and remit sales tax on that amount.

**Example:** Campground is the operator of a soft drink vending machine. The vending machine has a posted sign stating that the “Price Includes Sales Tax.” In January, the total amount that customers paid into the machine is \$200. The \$200 includes tax; therefore, the sales price subject to tax is \$190.48 (\$200 divided by 1.05 = \$190.48 sales price), and the 5% state sales tax liability is \$9.52 (\$190.48 X 5% = \$9.52). *This example does not account for any local taxes.*



## 2. Exempt Vending Machine Sales

Examples of exempt sales from vending machines include:

- Cookies
- Donuts
- Fruit that is not candy coated
- Granola bars that contain flour
- Ice tea that is not sweetened
- Juices that are more than 50% fruit or vegetable juice by volume
- Milk
- Nonalcoholic beverages that contain milk or milk products
- Peanuts that are plain or just salted
- Potato chips and corn chips, unless chocolate covered and do not contain flour
- Pretzels
- Raisins, unless the raisins are candy, such as yogurt coated raisins
- Water that is not sweetened
- Yogurt

**Example:** Campground sells cookies, milk in sealed cartons, and pretzels through vending machines located at the campground. Such sales are exempt from Wisconsin sales tax.

### b. Video Games, Amusement Devices, and Video Gambling Machines

Receipts from video games, amusement devices, and video gambling machines are subject to Wisconsin sales tax. If the campground “controls” or is the “operator” of the video game, amusement device or video gambling machine, the campground’s receipts from the video games, amusement devices, and video gambling machines are subject to Wisconsin sales tax.

See [Publication 236, Restaurants and Bars](#), for additional information relating to these types of items.

### c. Commissions

If the campground receives commissions from a third party who “controls” or is the “operator” of the vending machines, video games, and amusement devices, the campground’s receipts from such commissions are not subject to Wisconsin sales tax. The third party is responsible for reporting the Wisconsin sales tax on the total sales from the machine, without any deduction for the commission which is paid.

**Example:** Campground receives a commission equal to 50% of the total sales from an amusement device in return for allowing Company to place the amusement device at Campground. Campground is not the operator of and does not control the amusement device. A statement on the amusement device indicates that the “Price Includes Sales Tax.” In February, the total amount that customers pay to play the amusement device is \$200. Campground receives a commission of \$95.24. The \$95.24 commission received by Campground is not subject to Wisconsin sales tax. Company’s total sales (less the sales tax included) from the amusement device of \$190.48 ( $\$200 \div 1.05 = \$190.48$ ) are subject to Wisconsin sales tax and must be reported on Company’s sales and use tax return. Company’s taxable receipts are not affected by the amount of commission it pays to Campground. *This example does not account for any local taxes.*

## 12. Sales of Used Equipment

Sales of equipment that a campground previously used in operating the campground are generally taxable. Examples include:

- Air conditioners
- ATVs
- Boats
- Bicycles
- Cash registers
- Computers
- Golf carts
- Ice machines
- Laundry machines and dryers
- Microwave ovens
- Motor vehicles
- Picnic tables
- Pop-up campers
- Picnic tables
- Refrigerators
- Televisions
- Vending machines
- Video gambling machines
- Video games, pool tables, dart boards, and jukeboxes

**Example:** Campground holds a seller's permit and sells a used pool table for \$100. The sale of the pool table is taxable.

**Exception:** An exemption may apply if the sale of the item is made after the campground has ceased business. For additional information about this exemption, see [Publication 201](#), *Wisconsin Sales and Use Tax Information*, Part XV.

## B. Nontaxable Sales

Nontaxable sales by a campground to its customers include the following (this list is not all-inclusive):

### 1. Food and Beverages

Sales of the following are not subject to Wisconsin sales tax assuming the items do not meet the definition of "candy," "dietary supplement," "soft drink," or "prepared food":

- Bread
- Candy bars containing flour
- Canned soup
- Canned vegetables
- Cereal and cereal products
- Cheese

- Cookies
- Crackers
- Doughnuts
- Eggs
- Hotdog or hamburger buns
- Ice cream bars and similar products
- Ice cubes
- Jams
- Jellies
- Juices that contain more than 50% fruit or vegetable juice by volume
- Ketchup
- Marshmallows that contain flour
- Meat and meat products
- Milk
- Mustard
- Noodles
- Peanut butter
- Pickles
- Popsicles
- Potato chips
- Relishes
- Syrup
- Water, unsweetened

## **2. Sewage Disposal**

Charges to a customer to dispose of waste in sewage holding tanks are not subject to Wisconsin sales tax.

## **3. Security Access Cards**

Deposits for key cards that allow campground customers to access certain restricted, gated areas of the campground are not subject to Wisconsin sales tax. The deposit is not subject to tax even if the camper does not return the key card and the campground keeps the deposit.

## **4. Damage Fees**

Fees charged by the campground for damages to the campsite, camping cabin, trailer, or facilities are not subject to Wisconsin sales tax.

## **5. Self-Service Laundry Machines**

Laundry, dry cleaning, pressing, and dyeing services are not subject to Wisconsin sales tax when the service is performed by the customer through the use of self-service machines.

**Note:** Prior to October 1, 2013, only receipts from coin-operated, self-service machines were not taxable (receipts from self-service machines operated by tokens, magnetic cards, or a medium other than coins were taxable).

**C. Miscellaneous Sales Transactions**

**1. Gift Certificates**

**a. Gift Certificates Sold for Face Value**

Receipts from the sale of a gift certificate with a stated-dollar face value by a campground are not subject to Wisconsin sales tax as the gift certificate represents an intangible right. When the gift certificate is redeemed for a taxable product or service (e.g., admission to the campground, candy, tent rental) the campground collects the sales tax. The value of the gift certificate is treated as "cash." If the product being purchased with the gift certificate is not taxable, no tax is due.

**Example 1:** *Gift Certificate Used to Purchase Taxable Product or Service* - Camper purchases a \$50 gift certificate from Campground for \$50. Campground's sale of the gift certificate to Camper is a sale of a nontaxable intangible right. Camper purchases an admission to the campground (i.e., campsite) for \$70. Camper redeems the gift certificate towards the purchase of the admission, which is subject to Wisconsin sales tax.

Sales price of admission to campsite (taxable receipts)	\$70.00
5% state sales tax	+ 3.50
<u>Subtotal</u>	<u>\$73.50</u>
<u>Less: Gift certificate</u>	<u>- 50.00</u>
<u>Amount due from Camper</u>	<u>\$23.50</u>

**Example 2:** *Gift Certificate Used to Purchase Exempt Product or Service* - Camper purchases a \$25 gift certificate from Campground for \$25. Campground's sale of the gift certificate to Camper is a sale of a nontaxable intangible right. Camper purchases three dozen donuts from Campground for \$30. Camper pays for the donuts by presenting the \$25 gift certificate along with \$5 in cash. The donuts do not meet the definition of "prepared food" and the sale of the donuts is exempt from sales tax.

**b. Gift Certificates Sold for Less Than Face Value**

The Wisconsin sales and use tax treatment of gift certificates with a stated-dollar face value sold by campgrounds for less than their face value depends on whether or not the campground selling the gift certificate maintains adequate records to substantiate the amount for which the gift certificate was sold. If the campground maintains adequate records to substantiate the amount for which the gift certificate was sold and the gift certificate is redeemed for taxable products, the campground is only liable for tax based on the amount for which the gift certificate was sold. If the campground does not maintain adequate records to substantiate the amount for which the gift certificate was sold, the campground is liable for tax based on the face value of the gift certificate.

**Example 1:** *Campground Maintains Records to Substantiate Amount for Which Gift Certificate Was Sold* - Campground sells a \$30 gift certificate for \$25 to Camper. Campground maintains adequate records to track and substantiate the amount Camper paid for that gift certificate. Camper purchases \$40 of alcoholic beverages at Campground and presents Campground with the \$30 gift certificate and \$10 in cash. Campground is liable for Wisconsin sales tax on the \$35 selling price of the alcoholic beverages (\$25 received for the gift certificate and the additional \$10 received in cash).

Sales price of alcoholic beverages to Camper	\$40.00
<u>Less: Discount on gift certificate</u>	<u>- 5.00</u>

Taxable Receipts	\$35.00
5% state sales tax	+ 1.75
Subtotal prior to gift certificate	\$36.75
Less: Gift certificate	- 30.00
<u>Amount due from Camper</u>	<u>\$ 6.75</u>

**Example 2:** *Campground Does Not Maintain Records to Substantiate Amount for Which Gift Certificate Was Sold* - Same as Example 1, except that Campground does not maintain adequate records to track and substantiate the amount Camper paid for that gift certificate. Campground is liable for Wisconsin sales tax on the \$30 face value of the gift certificate redeemed plus the \$10 in cash (i.e., \$40).

## 2. Product Vouchers Sold by Campground

When a campground sells a voucher for a specific taxable product or service, the campground's receipts from the sale are subject to Wisconsin sales tax.

**Example:** Campground charges \$40 for a voucher redeemable for one night of camping at Campground. Campground's sale of the voucher is subject to sales tax.

## 3. Discount Certificates and Product Vouchers

A campground may enter into an agreement with a promotional company to have that promotional company sell, at a discount from face value, certificates that may be redeemed for either the face value of the certificate (e.g., \$20, \$25, \$50) or vouchers that may be redeemed for the specific product identified (e.g., admission to campground, canoe rental).

These types of certificates and vouchers are commonly advertised on various websites, are emailed to persons who have agreed to receive such emails, and are often referred to as "deal of the day" certificates or vouchers. A person purchases these certificates or vouchers by contacting and paying the promotional company and not the campground. The purchaser then presents the certificate or voucher to the campground in exchange for products from the campground.

The promotional company's sales of the discounted certificates and product vouchers are not subject to Wisconsin sales or use taxes, as these are sales of intangible rights. Wisconsin sales and use taxes apply when the customer redeems the certificate or voucher for taxable products.

The campground that accepts the certificate or voucher in exchange for taxable products or services is liable for sales tax on the amount the customer paid for the certificate or voucher, plus any additional amounts it receives from the customer. This assumes the campground can identify the amount the customer paid for the certificate or voucher (e.g., the amount paid is clearly noted on the face of the certificate or voucher).

**Example 1:** *Discounted Certificate* – Campground is located in Janesville, Wisconsin. Promotional Company has entered into a contract with Campground to advertise and sell discounted certificates. Each certificate has a face value of \$50, clearly indicates the amount the customer paid for the certificate, and may be used by the certificate holder to purchase admissions into campsites by Campground.

Under the terms of the agreement between Campground and Promotional Company, Promotional Company is obligated to remit \$20 to Campground for each certificate it sells.

Customer purchases one of these certificates from Promotional Company for \$30. Promotional Company keeps the remaining \$10 in return for the advertising and promotional services it provides to Campground under the agreement.

Customer goes to Campground's location in Janesville and purchases admissions to three campsites for \$99.99. Customer pays for the campsites by presenting the \$50 certificate and using a credit card to pay the remaining \$49.99.

Campground's taxable receipts from this sale are \$79.99 (\$30, the amount for which Customer purchased the certificate, plus \$49.99, the additional amount Customer paid Campground). Campground is liable for Wisconsin state and Rock County sales tax of \$4.40 (\$79.99 x 5.5%). The \$20 difference between the face value of the certificate (\$50) and the \$30 Customer paid for the certificate is a discount allowed by Campground and is not included in the measure subject to Wisconsin sales or use tax.

Sales price of admissions to campsites	\$99.99
<u>Less: Discount on sale of certificate</u>	<u>- 20.00</u>
Taxable Receipts	\$79.99
<u>5.5% sales tax (state, Rock County)</u>	<u>+ 4.40</u>
Subtotal	\$84.39
<u>Less: Face value of certificate</u>	<u>- 50.00</u>
<u>Amount due from Customer</u>	<u>\$34.39</u>

**Note:** If the amount Customer paid for the certificate (i.e., \$30) is not clearly indicated on the certificate, the discount on the sale of the certificate (i.e., \$20) is not allowed to reduce the taxable receipts. In this example, Campground's taxable receipts would be the sales price of the three campsites (i.e., \$99.99).

**Example 2: Product Voucher** - Campground enters into an agreement with Promotional Company to sell vouchers that may be redeemed by the voucher holder for two canoe rentals for one day at Campground's location in Waukesha County, Wisconsin. Customer purchases the voucher from Promotional Company for \$25, and this \$25 purchase price is clearly noted on the voucher. Under the terms of the agreement with Campground, for each voucher sold, Promotional Company remits \$13 to Campground and keeps the remaining \$12 as compensation for the advertising and promotional services provided to Campground.

When the voucher is redeemed by Customer, Campground has taxable receipts of \$25 since Campground's receipts from the canoe rentals are subject to Wisconsin sales tax. Since Customer receives the rentals in Waukesha County, Campground is liable for Wisconsin state and baseball stadium sales tax of \$1.28 (\$25 x 5.1%) on the canoe rentals.

#### 4. Discounts and Coupons

The Wisconsin sales and use tax treatment of discounts and coupons used by the purchaser depends on whether the campground or a third party (e.g., manufacturer) offers the discount or coupon, whether the item being sold is subject to Wisconsin sales tax, and whether the third party reimburses the campground for the amount of the discount or coupon allowed by the campground.

##### a. Manufacturer, Distributor, and Other Third Party Discounts or Coupons

Payments received by a campground from a third party for coupons issued by the third party and redeemed by the campground which entitle the customer to a free taxable product or a reduced price for a taxable product, are part of the "sales price" of the taxable product sold and subject to Wisconsin sales tax. A campground may charge the customer the sales tax due on the amount it is reimbursed by the manufacturer, distributor, or other third party. However, coupon handling fees paid by the manufacturer, distributor, or other third party to the campground are not subject to Wisconsin sales tax.

**Example:** Customer obtains a coupon for a free night of camping with the purchase of a night of camping from Campground. Campground receives a \$40 reimbursement from Distributor for each coupon redeemed. The amount subject to sales tax is the total amount that Campground receives from Customer and Distributor.

First night of camping	\$40.00
<u>Second night of camping</u>	<u>+ 40.00</u>
Taxable receipts	\$80.00
<u>5% state sales tax</u>	<u>4.00</u>
Subtotal	\$84.00
Reimbursement from	
<u>Distributor for night of camping</u>	<u>- 40.00</u>
<u>Amount due from Customer</u>	<u>\$44.00</u>

#### b. Retailer's Discount or Coupon

Discounts and coupons offered by campgrounds and which are *not reimbursed* by a third party are not subject to Wisconsin sales tax. No Wisconsin sales tax should be charged on the discounts offered by a campground, since they are not receiving any consideration for these discounts.

**Example 1:** Customer has a coupon for a free night of camping at a campsite with the purchase of a night of camping from Campground. Campground receives no reimbursement from a third party related to redeeming the coupon. The amount subject to sales tax is only the amount that Campground receives from Customer.

First night of camping	\$40.00
<u>Second night of camping</u>	<u>+ 40.00</u>
Subtotal	\$80.00
<u>Coupon for free night of camping</u>	<u>- 40.00</u>
Taxable receipts	\$40.00
<u>5% state sales tax</u>	<u>+ 2.00</u>
<u>Amount due from Customer</u>	<u>\$42.00</u>

**Example 2:** RV Dealer provides a voucher for a free weekend of camping at Campground to each customer who purchases an RV. RV Dealer does not pay Campground for the vouchers. When a customer redeems a voucher at Campground, no Wisconsin sales tax is due since Campground did not receive any consideration for the vouchers.

**Example 3:** Campground provides a voucher redeemable for one free night of camping to every person who joins Campground's mailing list at a trade show. When a customer redeems the voucher for the free night of camping, no Wisconsin sales tax is due since Campground did not receive any consideration for the vouchers.

## 5. Barters and Exchanges

A business may trade its products for services, real property, or intangibles. Sales or use tax may apply to such trades.

A person who sells taxable products or services and receives a service, real property, or intangibles in exchange is subject to Wisconsin sales tax on its sale of the taxable products or services. The amount subject to tax (sales price) is measured by the value of the services, realty, or intangibles received. If the products or

services that a business sells are not subject to sales and use taxes (e.g., nontaxable services, improvement to real property), the business may deduct the sales price from the transaction on its sales and use tax return.

**Example:** Campground exchanges a two-night stay at a campsite having a retail price of \$100 for radio or television advertising which has an established price of \$100 for this type of advertising service. Campground and the radio or television station each have to report the sales price of \$100 as a result of the transaction.

**Note:** The total sales reported on the sales and use tax return includes both taxable and nontaxable transactions.

The radio station may, however, deduct the \$100 from its total sales reported on its sales and use tax return, since the advertising service that it is selling is not subject to Wisconsin sales or use tax. Campground's sale of the campground admission is taxable; therefore, no deduction may be taken on Campground's sales and use tax return.

**Note:** For information on trading tangible personal property for other tangible personal property, see [Wisconsin Tax Bulletin #124](#), *Trade-ins*, beginning on page 30.

## 6. Certificates Donated to Charitable Organizations

The tax treatment for certificates and product vouchers depends on whether the certificates or product vouchers are donated or sold to the nonprofit organization. Information on sales of gift certificates, discount certificates, and product vouchers can be found in Part III.C.1, 2, and 3.

The Wisconsin sales tax treatment of product vouchers and gift certificates with a stated-dollar face value donated by campgrounds to nonprofit organizations depends on whether or not the campground donating the product voucher or gift certificate can distinguish between ones sold or donated. If the campground can identify that a particular product voucher or gift certificate was donated, the campground is not liable for tax on its sale of taxable products or services to customers using the product voucher or gift certificate, as no consideration was received. If the campground is not able to identify a redeemed product voucher or gift certificate as having been donated, the campground is liable for tax based on the stated prices for which taxable products and services are sold to the customer using the product voucher or gift certificate.

**Example 1:** *Campground Indicates on Gift Certificate That It Was Donated* - Campground donates a \$30 gift certificate to Nonprofit Organization to be used in a silent auction by Nonprofit Organization. Camper purchases \$40 of alcoholic beverages at Campground and presents Campground with the \$30 gift certificate and \$10 in cash. Campground is able to identify that the gift certificate was donated to Nonprofit Organization. Campground is liable for Wisconsin sales tax on the \$10 received in cash. No tax is due on the gift certificate when it is redeemed because Campground can document that it received no consideration for the donated gift certificate.

**Example 2:** *Campground Does Not Indicate on Gift Certificate That It Was Donated* - Same as Example 1, except that Campground is not able to identify that the gift certificate was donated to Nonprofit Organization when Camper redeems that gift certificate. Campground is liable for Wisconsin sales tax on the \$30 face value of the gift certificate redeemed and the \$10 in cash (i.e., \$40).



## IV. CAMPGROUND'S PURCHASES

### A. Electricity

#### 1. Electricity Included in Campground Fee

When a campground fee includes a charge for electricity, the electricity is considered to be part of the campground fee and is subject to Wisconsin sales tax. The campground is required to pay tax on its purchase of the electricity.

#### 2. Electricity is Separate and Optional From Campground Fee

When the campground makes a separate and optional charge for electricity, the campground's charge for the electricity is subject to Wisconsin sales tax. The campground may purchase the electricity without tax for resale.

**Example 1:** Campground offers campsites for \$25 per night. All campsites have electrical hook-ups included. The customer is required to pay \$25 per night regardless of whether the electrical hook-up is used. Campground's \$25 charge per night is subject to Wisconsin sales tax as an admission to an amusement, entertainment, or recreational facility.

Campground's purchases of the electricity from its utility company are also subject to Wisconsin sales or use tax. Campground is the consumer of this electricity provided with the amusement, entertainment, or recreational facility.

**Example 2:** Campground has two campsite offerings. Type 1 does not include electricity and is \$20 per night. Type 2 includes electricity and is \$25 per night. Campground does not reduce the charge for Type 2 campsites if customers do not want the electricity. Campground's \$20 and \$25 per night charges are subject to Wisconsin sales tax as admissions to an amusement, entertainment, or recreational facilities.

Campground must pay Wisconsin sales or use tax on its purchases of the electricity provided at Type 2 campsites since the electricity charges are not separate and optional.

**Example 3:** Campground offers campsites for \$25 per night. All campsites have electrical hook-ups available. If a customer wants to use the electrical hook-up, Campground charges an additional \$5 per night. Campground's \$25 charge per night charge for the campsite is subject to Wisconsin sales tax as an admission to an amusement, entertainment, or recreational facility. The \$5 per night charge for electricity is also subject to Wisconsin sales tax.

Campground may purchase the electricity without tax for resale from its utility company because the \$5 charge for the electricity is separate and optional from the purchase of the campsite. Campground should provide its electricity supplier with a *Wisconsin Sales and Use Tax Exemption Certificate* ([Form S-211](#)) claiming resale, to purchase this electricity without Wisconsin sales or use tax. (**Caution:** Even though Campground may purchase the electricity used at these campsites without tax for resale, Campground must pay Wisconsin sales or use tax on its purchases of electricity used for purposes other than resale, such as in its offices.)

### B. Taxable Purchases

Taxable purchases by a campground include the following (this list is not all-inclusive):

**Note:** If Wisconsin sales tax is not charged by the supplier of the property, item, good, or taxable service, Wisconsin use tax must be reported and paid by the campground to the Wisconsin Department of Revenue on its *Wisconsin Sales and Use Tax Return* (Form ST-12).

## 1. Tangible Personal Property

The following are examples of tangible personal property and digital goods purchased by campgrounds which are subject to Wisconsin sales or use tax:

### a. Office Equipment and Supplies

- Advertising brochures and literature, except advertising and promotional direct mail, certain catalogs and their mailing envelopes, and certain printed advertising materials transported outside Wisconsin by the printer or the campground (see [Publication 235](#), *Advertising Companies*)
- Cleaning supplies
- Computers, computer supplies, and prewritten computer software
- Cash registers
- Copy machines and supplies
- Digital music downloads
- Electricity
- Natural gas and propane
- Paper, pens, and pencils

### b. Camping Cabins, Trailers, and Recreational Vehicles

Camping cabins, trailers and recreational vehicles that are already set up on campsites are used by the campground to provide lodging to campers. The campground is liable for tax on its purchase of the camping cabins, trailers and recreational vehicles that it uses to provide lodging to campers, if they are not permanently affixed to the land at the time the campground purchases them. The campground is also liable for tax on its purchases of materials used to construct camping cabins, regardless of whether the constructed camping cabin becomes permanently affixed to the land.

**Example:** Campground charges Customer a fee for the campsite and a fee for a camping cabin. Customer chooses a campsite already equipped with a camping cabin that is not permanently affixed to the land. Campground must pay Wisconsin sales or use tax on its purchase of the camping cabin. The purchase of the camping cabin is not exempt from Wisconsin sales and use tax, because it is not for resale. The camping cabin is provided incidental to the furnishing of the lodging because the primary objective of Customer is to obtain lodging.

**Note:** Camping cabins and trailers that are permanently affixed to the realty may be real property improvements. See Part IV.C.4. for more information on a campground's purchase of real property and real property improvements.

See Part IV.C.2. for examples of tangible personal property (e.g., pop-up campers, tents) purchased by a campground that are exempt from Wisconsin sales and use tax because these items are rented to customers (i.e., resale).

**c. Equipment and Appliances Provided with Rentals of Cabins or Trailers**

The campground is the consumer of items purchased by them for use by campers with the rental of the cabins or trailers already on a campsite. These items may not be purchased without tax for resale:

- Air conditioners
- Charcoal grills
- Microwave ovens
- Picnic tables
- Refrigerators
- Televisions

**d. Equipment and Appliances Used by Owner in Operation of Campground**

- ATVs and motor vehicles
- Communication equipment such as telephones and loudspeakers
- Golf carts
- Ice machines
- Laundry machines and dryers
- Recreational equipment, unless solely used for rental to customers
- Vending machines
- Video gambling machines
- Video games, pool tables, dart boards, and jukeboxes

**e. Restaurant and Bar Equipment and Supplies**

- Bar stools
- Chairs
- Cleaning equipment and supplies
- Cloth napkins
- Cooking equipment and utensils
- Counters
- Dishwasher
- Garbage disposal units
- Glassware
- Refrigerators and freezers
- Serving utensils (see *Note* in Part IV.C.3. relating to certain disposable items.)
- Tables
- Tableware (see *Note* in Part IV.C.3. relating to certain disposable items.)
- Televisions

**f. Campground Development and Maintenance**

- Gravel, sand, stone, and building materials purchased without installation
- Lawn equipment and supplies
- Pool chemicals and other supplies
- Posts and signs to mark campsites

- Repair parts for tangible personal property
- Snow removal equipment

**g. Promotional Items**

If a campground purchases taxable products and gives them to its customers for no charge, the campground's purchases of the products are taxable. If the campground did not pay sales tax to the seller when buying the products, the campground owes Wisconsin use tax on its purchases of the products.

**Example 1:** Campground buys t-shirts from a vendor located outside Wisconsin and does not pay any sales or use tax to the vendor. Campground gives the t-shirts away to customers. Campground owes Wisconsin use tax on its purchase of the t-shirts.

**Example 2:** Campground provides a coffee mug free of charge to every customer that purchases an admission to the campground (i.e., taxable service). The price of the admission does not vary depending on whether the coffee mug is included in the transaction. In this example, the coffee mug is transferred incidentally with the admission to the campground. Campground owes Wisconsin sales or use tax on its purchase of the coffee mugs it gives away.

**2. Services**

The following are examples of services purchased by campgrounds which are subject to Wisconsin sales or use tax:

- Cable and satellite television service
- Cleaning and maintaining pools
- Inspecting, repairing, and maintaining tangible personal property (e.g., televisions, refrigerators, boilers, furnaces, water softeners, water heaters)
- Internet access services
- Landscaping and gardening services
- Telephone service

**C. Nontaxable Purchases**

Nontaxable purchases by a campground include the following (this list is not all-inclusive):

**1. Tangible Personal Property to Be Resold**

Purchases of tangible personal property which will be resold to customers (e.g., candy, firewood, ice blocks, soft drinks, toiletries), are not subject to Wisconsin sales or use tax. A campground must provide its supplier with a fully completed *Wisconsin Sales and Use Tax Exemption Certificate* ([Form S-211](#)) or *Streamlined Sales and Use Tax Certificate of Exemption – Wisconsin* ([Form S-211-SST](#)), claiming resale.

**2. Tangible Personal Property Which Will Be Rented to Others**

Purchases of tangible personal property which will be used **only** for rental to others are **not** subject to Wisconsin sales or use tax because they are for resale. A campground must provide its supplier with a fully completed *Wisconsin Sales and Use Tax Exemption Certificate* ([Form S-211](#)) or *Streamlined Sales and Use Tax Certificate of Exemption – Wisconsin* ([Form S-211-SST](#)), claiming resale. Examples of such items include bicycles, canoes, fishing poles, pop-up campers, rafts, skis, and tents.

**Note:** If an item is not used **only** for rental to others (e.g., the campground provides the item at no additional charge or uses the item itself), the purchase of the item is taxable. The campground's rental receipts from this item are also taxable.

**Example:** Campground charges Customer a rental fee for a pop-up camper, separate and optional from the fee paid for the campsite. Customer chooses a campsite where he or she erects the pop-up camper. Campground's purchase of the pop-up is exempt from Wisconsin sales and use tax because it is for resale. The pop-up camper rental in the transaction is separate and optional from providing the campsite admission to Customer.

### 3. Certain Restaurant and Bar Disposable Items

Purchases of paper and plastic **disposable** items which are transferred to customers when **selling** (rather than giving away at no charge) prepared foods, food products, and beverages are **not** subject to Wisconsin sales or use tax. The campground may purchase these items without tax for resale. Examples of such items include paper napkins, paper and plastic cups, straws, disposable placemats, plastic utensils, and styrofoam or paper take-home containers.

**Note:** Purchases of paper and plastic disposable items which are transferred to customers when **giving away** (rather than selling) prepared foods, food products, and beverages are taxable.

### 4. Real Property and Real Property Improvements

Purchases of the following real property and improvements to real property are not subject to Wisconsin sales or use tax:

- Installed camping cabins, permanently affixed to the land
- Installed camping trailers, excluding manufactured homes (see next bullet), permanently affixed to the land
- Installed manufactured homes, permanently affixed to the land and the owner of the manufactured home also owns the land (see [Publication 231](#), *Sales and Use Tax Treatment of Manufactured and Modular Homes*, for additional information)
- Installed roads, walks, bridges, fences, and ponds
- Installed swimming pools, either partially or wholly underground
- Land
- Parking lot lighting

**Note:** If the campground purchases materials to make real property improvements, the campground's purchase of the materials is taxable. See [Publication 207](#), *Sales and Use Tax Information for Contractors*, for additional information.

## V. ALCOHOL BEVERAGE AND TOBACCO LAWS

Information about state alcohol beverage and tobacco laws is provided in [Publication 302](#), *Wisconsin Alcohol Beverage and Tobacco Laws for Retailers*.

## VI. KEEPING AWARE OF NEW SALES AND USE TAX DEVELOPMENTS

A campground should be aware of changes in the tax laws, new interpretations, and court cases which may affect how it files returns and computes 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 department will send an email to subscribers on information and news specific to the respective list they have signed up for.

## VII. 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](http://revenue.wi.gov)

Email . . . [DORSalesandUse@revenue.wi.gov](mailto: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.

## WISCONSIN SALES AND USE TAX EXEMPTION CERTIFICATE

Check One  Single Purchase  Continuous

Purchaser's Business Name	Purchaser's Address
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The above purchaser, whose signature appears on the reverse side of this form, claims exemption from Wisconsin state, county, baseball or football stadium, local exposition, and premier resort sales or use tax on the purchase, lease, license, or rental of tangible personal property, property under sec. 77.52(1)(b), items under sec. 77.52(1)(c), goods under sec. 77.52(1)(d), or taxable services, as indicated by the box(es) checked below.

I hereby certify that I am engaged in the business of selling, leasing, licensing, or renting: \_\_\_\_\_

*(Purchaser's description of property, items, goods, or services sold by purchaser.)*

Purchaser's description of property or services purchased (itemize property, items, or goods purchased if "single purchase"):

Seller's Name	Seller's Address
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### 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, 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, and farm work stock.
- Containers for fruits, vegetables, 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, medicine for farm livestock, and milk house supplies.

**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
<input type="checkbox"/> Residential . . . . .	_____ %	_____ %	_____ %
<input type="checkbox"/> 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). \_\_\_\_\_

(DETACH AND PRESENT TO SELLER)

*I hereby certify that if the item(s) being purchased are 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 that may include tax, interest, and penalty.*

Signature of Purchaser	Print or Type Name	Title	Date



## INSTRUCTIONS

This certificate may be used to claim exemption from Wisconsin state, county, baseball and football stadium, local exposition, and premier resort sales or use taxes.

Under the sales and use tax law, all receipts from sales of tangible personal property, property, items and goods under sec. 77.52(1)(b), (c), and (d), or taxable services are subject to the tax until the contrary is established. However, a seller who receives a fully completed exemption certificate no later than 90 days after the date of sale is relieved of any responsibility for collection or payment of the tax upon transactions covered by the certificate. A fully completed certificate is one which is completely filled in and indicates the reason for exemption.

**RESALE:** A purchaser using the resale exemption is attesting that the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services being purchased will be resold, leased, licensed, or rented. However, in the event any such property, items, or goods is used for any purpose other than retention, demonstration, or display while holding it for sale, lease, license, or rental in the regular course of business, the purchaser is required to report and pay the tax on the purchase of the property, item, or good.

The following purchasers may make purchases for resale even though they do not hold a Wisconsin seller's permit or use tax certificate: (a) A wholesaler who only sells to other sellers for resale may insert "Wholesale only" in the space for the seller's permit number; (b) A person who only sells or repairs exempt property, such as to a manufacturer or farmer, may insert "Exempt sales only"; (c) A nonprofit organization may insert "Exempt sales only" if its subsequent sales of the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services are exempt as occasional sales.

A seller is allowed to accept an exemption certificate from an out-of-state retailer claiming the resale exemption for tangible personal property and items, property, and goods under sec. 77.52(1)(b), (c) and (d), Wis. Stats., drop shipped to a Wisconsin location, regardless of whether or not the out-of-state retailer holds a Wisconsin seller's permit. The out-of-state retailer's permit number, if the other state issues one, and state should be listed on the exemption certificate. If the exemption certificate does not list the Wisconsin seller's permit number or the out-of-state retailer's permit number and state, to be fully complete and valid the exemption certificate must contain a statement indicating the out-of-state retailer is a seller that is not required to hold a permit.

A resale exemption may be granted if the purchaser is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose. If the buyer purchases an item without tax for resale, but uses the item, the buyer owes use tax on its purchase of the item.

**MANUFACTURING:** "Manufacturing" means the production by machinery of a new article of tangible personal property or items or property under sec. 77.52(1)(b) or (c) with a different form, use, and name from existing materials, by a process popularly regarded as manufacturing, and that begins with the 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 or items or property under sec. 77.52(1)(b) or (c) to the point of first storage in the same plant.

**FARMING:** This certificate may not be used by farmers to claim exemption for the purchase of motor vehicles or trailers for highway use, lawn or garden tractors, snowmobiles, or for items used for the personal convenience of the farmer. When claiming an exemption for an ATV which is also registered for public use, a written description including the percentages of time for personal and farm use, must be submitted with the ATV Registration Application.

The sales price from the sale of electricity, natural gas, and other fuels for use in farming are exempt all 12 months of the year. Farmers claiming this exemption should check the box for electricity and fuel located in the "Other" section.

This certificate cannot be used as an exemption for paying Wisconsin motor vehicle fuel tax.

**GOVERNMENTAL UNITS AND OTHER EXEMPT ENTITIES:** A seller may accept exemption certificates from federal and Wisconsin governmental units and federally recognized American Indian tribes or bands in Wisconsin. Instead of obtaining an exemption certificate, a seller may (1) accept a purchase order from the governmental unit or tribe or band, or (2) record the governmental unit or tribe or band's Certificate of Exempt Status (CES) number on its invoices. Governmental units of other countries and states are not exempt from Wisconsin sales tax.

The exemption for the United States and its unincorporated agencies and instrumentalities may also be claimed by any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

The exemption for Wisconsin governmental units and other exempt entities may be claimed by: Local Exposition District, Professional Baseball Park District, Professional Football Stadium District, UW Hospitals and Clinics Authority, Wisconsin Aerospace Authority, Health Insurance Risk-Sharing Plan Authority, Wisconsin Economic Development Authority, Fox River Navigational System Authority, public inland lake protection and rehabilitation districts, municipal public housing authorities, uptown business improvement districts, local cultural arts districts, county-city hospitals, sewerage commissions, metropolitan sewerage districts, or joint local water authorities.

**Organizations holding a Certificate of Exempt Status (CES) number:** Wisconsin organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, may purchase products or services exempt from Wisconsin sales tax if the organization holds a CES number issued by the Wisconsin Department of Revenue. Wisconsin and federal governmental units, and any federally recognized American Indian tribe or band in Wisconsin, will also qualify for a CES.

A similar out-of-state organization, generally organized under sec. 501(c)(3) of the Internal Revenue Code, may purchase products or services exempt from Wisconsin sales tax even though it has not been issued a CES number. This exemption does *not* apply to out-of-state public schools, including public colleges and universities, and governmental units from other states.

Purchases (for lodging, meals, auto rental, etc.) by employees/representatives of exempt organizations performing organization business, are exempt from sales tax, provided 1) the retailer issues the billing or invoice in the name of the exempt organization, 2) the CES number is entered on the billing or invoice, and 3) the retailer retains a copy of that document.

**OTHER:**

**Containers:** This exemption applies regardless of whether or not the containers are returnable. Containers used by the purchaser only for storage or to transfer merchandise owned by the purchaser from one location to another do not qualify for the exemption.

**Common or contract carriers:** The exemption available to common or contract carriers for certain vehicles and repairs listed on this certificate applies only to those units used "exclusively" in such common or contract carriage. A carrier may qualify for the common or contract carriage exemption even if it does not hold a LC or IC number. The fact that a carrier holds a LC or IC number is not in itself a reason for exemption. A carrier may qualify for the common or contract carrier exemption even if it does not hold an LC or IC number.

**Waste treatment facilities:** The exemption applies to the sale of tangible personal property and items and property under sec. 77.52(1)(b) and (c) to a contractor for incorporation into real property which is part of an industrial or commercial waste treatment facility that qualifies for property tax exemption or a Wisconsin or federal governmental waste treatment facility.

**Electricity, natural gas, fuel oil, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel:**

- The sales price from the sale of electricity and natural gas for residential use during the months of November through April are exempt from sales and use tax.
- The sales price from sales of fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel sold for residential use are exempt from sales or use tax. Wood pellets are considered 100% wood even though the pellets may contain a small amount of binding material used to form the pellets.
- The sales price from the sale of fuel and electricity for use in farming are exempt all year.

A retailer of electricity, fuel, or natural gas shall have a signed exemption certificate for exempt sales for residential or farm use unless any of the following apply:

1. 100% of the electricity, fuel, or natural gas is for exempt use.
2. 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 sale.
3. 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.

"Farm use" means used in farming, including use in a tractor or other farm machines used directly in farming, in a furnace heating a farm building, in providing lighting in farm buildings, and use in operating motors of machines used directly in farming.

"Residential use" means use in a structure or portion of a structure which is a person's permanent principal residence. It does not include use in motor homes, travel trailers, other

recreational vehicles, or transient accommodations. "Transient accommodations" means rooms or lodging available to the public for a fee for a continuous period of less than one month in a building such as a hotel, motel, inn, tourist home, tourist house or court, summer camp, resort lodge, or cabin.

**Other purchases exempted by law include:**

1. Printed material which is designed to advertise and promote the sale of merchandise, or to advertise the services of individual business firms, which printed material is purchased and stored for the purpose of subsequently transporting it outside the state by the purchaser for use thereafter solely outside the state.
2. Parts, supplies, or repairs for a school bus used exclusively as a contract carrier pursuant to a contract with a school or other organization.
3. Waste reduction and recycling machinery and equipment, including parts and repairs, which are exclusively and directly used for waste reduction and recycling activities.
4. Railway cars, locomotives, and other rolling stock used in railroad operations, or accessories, attachments, parts, lubricants, or fuel therefor.
5. 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.
6. 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.
7. A product whose power source is the wind, direct radiant energy received from the sun, or gas generated by the anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or at least 600 British thermal units per day, but not including a product that is an uninterruptible power source that is designed primarily for computers.
8. Effective July 1, 2013, snowmaking and snow-grooming machines and equipment, including accessories, attachments, and parts for the machines and fuel and electricity used to operate such machines and equipment, that are used exclusively and directly for snowmaking at ski hills, ski slopes, and ski trails.
9. Effective July 1, 2013, advertising and promotional direct mail and printing services used to produce advertising and promotional direct mail.

**SIGNATURE:** For corporations, this form must be signed by an employee or officer of the corporation.

**QUESTIONS:** If you have questions, please contact us.

WISCONSIN DEPARTMENT OF REVENUE  
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