77.54 **(17)** The ~~gross receipts~~ sales price from the sales of and the storage, use or other consumption of water, that is not food and food ingredient, when delivered through mains.

SECTION 436. 77.54 (18) of the statutes is amended to read:

77.54 **(18)** When the sale, license, lease, or rental of a service or property, including items, property, and goods under s. 77.52 (1) (b), (c), and (d), that was previously exempt or not taxable under this subchapter becomes taxable, and the service or property is furnished under a written contract by which the seller is unconditionally obligated to provide the service or property for the amount fixed under the contract, the seller is exempt from sales or use tax on the ~~gross receipts~~ sales price for services or property provided until the contract is terminated, extended, renewed or modified. However, from the time the service or property becomes taxable until the contract is terminated, extended, renewed or modified the user is subject to use tax, measured by the ~~sales~~ purchase price, on the service or property purchased under the contract.

SECTION 437. 77.54 (20) of the statutes is repealed.

SECTION 438. 77.54 (20m) of the statutes is repealed.

SECTION 439. 77.54 (20n) of the statutes is created to read:

77.54 **(20n)** (a) The sales price from the sale of and the storage, use, or other consumption of food and food ingredients, except candy, soft drinks, dietary supplements, and prepared food.

(b) The sales price from the sale of and the storage, use, or other consumption of food and food ingredients, except soft drinks, sold by hospitals, sanatoriums, nursing homes, retirement homes, community-based residential facilities, as defined in s. 50.01 (1g), or day care centers registered under ch. 48, including

prepared food that is sold to the elderly or handicapped by persons providing mobile meals on wheels. In this paragraph, "retirement home" means a nonprofit residential facility where 3 or more unrelated adults or their spouses have their principal residence and where support services, including meals from a common kitchen, are available to residents.

(c) The sales price from the sale of and the storage, use, or other consumption of food and food ingredients, furnished in accordance with any contract or agreement or paid for to such institution through the use of an account of such institution, by a public or private institution of higher education to any of the following:

1. An undergraduate student, a graduate student, or a student enrolled in a professional school if the student is enrolled for credit at the public or private institution of higher education and if the food and food ingredients are consumed by the student.

2. A national football league team.

SECTION 440. 77.54 (20r) of the statutes is created to read:

77.54 **(20r)** The sales price from the sales of and the storage, use, or other consumption of candy, soft drinks, dietary supplements, and prepared foods, and disposable products that are transferred with such items, furnished for no consideration by a restaurant to the restaurant's employee during the employee's work hours.

SECTION 441. 77.54 (21) of the statutes is amended to read:

77.54 **(21)** The ~~gross receipts~~ sales price from the sales of and the storage, use or other consumption of caskets and burial vaults for human remains.

SECTION 442. 77.54 (22) of the statutes is repealed.

SECTION 443. 77.54 (22b) of the statutes is created to read:

77.54 **(22b)** The sales price from the sale of and the storage, use, or other consumption of durable medical equipment that is for use in a person's home, mobility-enhancing equipment, and prosthetic devices, and accessories for such equipment or devices, if the equipment or devices are used for a human being.

SECTION 444. 77.54 (23m) of the statutes is amended to read:

77.54 **(23m)** The ~~gross receipts~~ sales price from the sale, license, lease or rental of or the storage, use or other consumption of motion picture film or tape, and motion pictures or radio or television programs for listening, viewing, or broadcast, and advertising materials related thereto, sold, licensed, leased or rented to a motion picture theater or radio or television station.

SECTION 445. 77.54 (25) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

77.54 **(25)** The ~~gross receipts~~ sales price from the sale of and the storage of 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. This subsection does not apply to catalogs and the envelopes in which the catalogs are mailed.

SECTION 446. 77.54 (25m) of the statutes, as created by 2007 Wisconsin Act 20, is amended to read:

77.54 **(25m)** The ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of 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.

SECTION 447. 77.54 (26) of the statutes is amended to read:

77.54 **(26)** The ~~gross receipts~~ sales price from the sales of and the storage, use, or other consumption of tangible personal property and items and property under s. 77.52 (1) (b) and (c) which becomes a component part of an industrial waste treatment facility that is exempt under s. 70.11 (21) or that would be exempt under s. 70.11 (21) if the property were taxable under ch. 70, or tangible personal property and items and property under s. 77.52 (1) (b) and (c) which becomes a component part of a waste treatment facility of this state or any agency thereof, or any political subdivision of the state or agency thereof as provided in s. 40.02 (28). The exemption includes replacement parts therefor, and also applies to chemicals and supplies used or consumed in operating a waste treatment facility and to purchases of tangible personal property and items and property under s. 77.52 (1) (b) and (c) made by construction contractors who transfer such property to their customers in fulfillment of a real property construction activity. This exemption does not apply to tangible personal property and items and property under s. 77.52 (1) (b) and (c) installed in fulfillment of a written construction contract entered into, or a formal written bid made, prior to July 31, 1975.

SECTION 448. 77.54 (26m) of the statutes is amended to read:

77.54 **(26m)** The ~~gross receipts~~ sales price from the sale of and the storage, use or other consumption of waste reduction or recycling machinery and equipment, including parts therefor, exclusively and directly used for waste reduction or recycling activities which reduce the amount of solid waste generated, reuse solid waste, recycle solid waste, compost solid waste or recover energy from solid waste. The exemption applies even though an economically useful end product results from the use of the machinery and equipment. For the purposes of this subsection, "solid waste" means garbage, refuse, sludge or other materials or articles, whether these

materials or articles are discarded or purchased, including solid, semisolid, liquid or contained gaseous materials or articles resulting from industrial, commercial, mining or agricultural operations or from domestic use or from public service activities.

SECTION 449. 77.54 (27) of the statutes is amended to read:

77.54 **(27)** The ~~gross receipts~~ sales price from the sale of semen used for artificial insemination of livestock.

SECTION 450. 77.54 (28) of the statutes is amended to read:

77.54 **(28)** The ~~gross receipts~~ sales price from the sale of and the storage, use or other consumption to or by the ultimate consumer of ~~apparatus or equipment for the injection of insulin or the treatment of diabetes and~~ supplies used to determine blood sugar level.

SECTION 451. 77.54 (29) of the statutes is amended to read:

77.54 **(29)** The ~~gross receipts~~ sales price from the sales of and the storage, use or other consumption of equipment used in the production of maple syrup.

SECTION 452. 77.54 (30) (a) (intro.) of the statutes is amended to read:

77.54 **(30)** (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

SECTION 453. 77.54 (30) (c) of the statutes is amended to read:

77.54 **(30)** (c) If fuel or electricity is sold partly for a use exempt under this subsection and partly for a use which is not exempt under this subsection, no tax shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the percentage of the fuel or electricity which is used for an exempt use, as specified in an exemption certificate provided by the purchaser to the seller.

SECTION 454. 77.54 (31) of the statutes is amended to read:

77.54 **(31)** The ~~gross receipts~~ sales price from the sale of and the storage, use or other consumption in this state, but not the lease or rental, of used mobile homes, as defined in s. 101.91 (10), and used manufactured homes, as defined in s. 101.91 (12).

SECTION 455. 77.54 (32) of the statutes is amended to read:

77.54 **(32)** The ~~gross receipts~~ sales price from charges, including charges for a search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record that a person may examine and use under s. 16.61 (12) or for copies of a record under s. 19.35 (1).

SECTION 456. 77.54 (33) of the statutes is amended to read:

77.54 **(33)** The ~~gross receipts~~ sales price from sales of and the storage, use or other consumption of ~~medicines~~ drugs used on farm livestock, not including workstock.

SECTION 457. 77.54 (35) of the statutes is amended to read:

77.54 **(35)** The ~~gross receipts~~ sales price from the sales of tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), tickets, or admissions by any baseball team affiliated with the Wisconsin Department of American Legion baseball.

SECTION 458. 77.54 (36) of the statutes is amended to read:

77.54 **(36)** The ~~gross receipts~~ sales price from the rental for a continuous period of one month or more of a mobile home, as defined in s. 101.91 (10), or a manufactured home, as defined in s. 101.91 (2), that is used as a residence. In this subsection, "one month" means a calendar month or 30 days, whichever is less, counting the first day of the rental and not counting the last day of the rental.

SECTION 459. 77.54 (37) of the statutes is amended to read:

77.54 **(37)** The ~~gross receipts~~ sales price from revenues collected under s. 256.35 (3) and the surcharge established by rule by the public service commission under s. 256.35 (3m) (f) for customers of wireless providers, as defined in s. 256.35 (3m) (a) 6.

SECTION 460. 77.54 (38) of the statutes is amended to read:

77.54 **(38)** The ~~gross receipts~~ sales price from the sale of and the storage, use or other consumption of snowmobile trail groomers and attachments for them that are purchased, stored, used or consumed by a snowmobile club that meets at least 3 times a year, that has at least 10 members, that promotes snowmobiling and that participates in the department of natural resources' snowmobile program under s. 350.12 (4) (b).

SECTION 461. 77.54 (39) of the statutes is amended to read:

77.54 **(39)** The ~~gross receipts~~ sales price from the sale of and the storage, use or other consumption of off-highway, heavy mechanical equipment such as feller bunchers, slashers, delimbers, chippers, hydraulic loaders, loaders, skidder-forwarders, skidders, timber wagons and tractors used exclusively and directly in the harvesting or processing of raw timber products in the field by a person in the logging business. In this subsection, "heavy mechanical equipment" does not include hand tools such as axes, chains, chain saws and wedges.

SECTION 462. 77.54 (40) of the statutes is repealed.

SECTION 463. 77.54 (41) of the statutes is amended to read:

77.54 **(41)** The ~~gross receipts~~ sales price from the sale of building materials, supplies and equipment to; and the storage, use or other consumption of those kinds of property by; owners, contractors, subcontractors or builders if that property is

acquired solely for or used solely in, the construction, renovation or development of property that would be exempt under s. 70.11 (36).

SECTION 464. 77.54 (42) of the statutes is amended to read:

77.54 **(42)** The ~~gross receipts~~ sales price from the sale of and the storage, use or other consumption of animal identification tags provided under s. 93.06 (1h) and standard samples provided under s. 93.06 (1s).

SECTION 465. 77.54 (43) of the statutes is amended to read:

77.54 **(43)** The ~~gross receipts~~ sales price from the sale of and the storage, use or other consumption of raw materials used for the processing, fabricating or manufacturing of, or the attaching to or incorporating into, printed materials that are transported and used solely outside this state.

SECTION 466. 77.54 (44) of the statutes is amended to read:

77.54 **(44)** The ~~gross receipts~~ sales price from the collection of low-income assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

SECTION 467. 77.54 (45) of the statutes is amended to read:

77.54 **(45)** The ~~gross receipts~~ sales price from the sale of and the use or other consumption of a onetime license or similar right to purchase admission to professional football games at a football stadium, as defined in s. 229.821 (6), that is granted by a municipality; a local professional football stadium district; or a professional football team or related party, as defined in s. 229.821 (12); if the person who buys the license or right is entitled, at the time the license or right is transferred to the person, to purchase admission to at least 3 professional football games in this state during one football season.

SECTION 468. 77.54 (46) of the statutes is amended to read:

77.54 **(46)** The ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of the U.S. flag or the state flag. This subsection does not apply to a representation of the U.S. flag or the state flag.

SECTION 469. 77.54 (46m) of the statutes is amended to read:

77.54 **(46m)** The ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of telecommunications services, if the telecommunications services are obtained by using the rights to purchase telecommunications services, including purchasing reauthorization numbers, by paying in advance and by using an access number and authorization code; and if the tax imposed under s. 77.52 or 77.53 was previously paid on the sale or purchase of such rights.

SECTION 470. 77.54 (47) (intro.) of the statutes is amended to read:

77.54 **(47)** (intro.) The ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of all of the following:

SECTION 471. 77.54 (47) (b) 1. of the statutes is amended to read:

77.54 **(47)** (b) 1. The shooting facility is required to pay the tax imposed under s. 77.52 on ~~its gross receipts~~ the sales price from charges for shooting at the facility.

SECTION 472. 77.54 (47) (b) 2. of the statutes is amended to read:

77.54 **(47)** (b) 2. The shooting facility is a nonprofit organization that charges for shooting at the facility, but is not required to pay the tax imposed under s. 77.52 on its ~~gross receipts~~ sales price from such charges because the charges are for occasional sales, as provided under sub. (7m), or because the charges satisfy the exemption under s. 77.52 (2) (a) 2. b.

SECTION 473. 77.54 (48) (a) of the statutes is renumbered 77.585 (9) (a) and amended to read:

77.585 **(9)** (a) Subject to 2005 Wisconsin Act 479, section 17, ~~the gross receipts from the sale of and the storage, use, or other consumption~~ a purchaser may claim as a deduction that portion of its purchase price of Internet equipment used in the broadband market for which the tax was imposed under this subchapter, if the purchaser certifies to the department of commerce, in the manner prescribed by the department of commerce, that the purchaser will, within 24 months after July 1, 2007, make an investment that is reasonably calculated to increase broadband Internet availability in this state. The purchaser shall claim the deduction in the same reporting period as the purchaser paid the tax imposed under this subchapter.

SECTION 474. 77.54 (48) (b) of the statutes is renumbered 77.585 (9) (b).

SECTION 475. 77.54 (49) of the statutes is amended to read:

77.54 **(49)** The ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of taxable services and tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d), that ~~is~~ are physically transferred to the purchaser as a necessary part of services that are subject to the taxes imposed under s. 77.52 (2) (a) 7., 10., 11., and 20., if the seller and the purchaser of such services and property, item, or good are members of the same affiliated group under section 1504 of the Internal Revenue Code and are eligible to file a single consolidated return for federal income tax purposes. For purposes of this subsection, if a seller purchases a taxable service, or item, property, or goods under s. 77.52 (1) (b), (c), or (d), or tangible personal property, as described in ~~the~~ this subsection, that is subsequently sold to a member of the seller's affiliated group and the sale is exempt under this subsection from the taxes imposed under this subchapter, the original purchase of the taxable service, or item, property, or goods under s. 77.52 (1) (b), (c),

or (d), or tangible personal property by the seller is not considered a sale for resale or exempt under this subsection.

SECTION 476. 77.54 (50) of the statutes is created to read:

77.54 **(50)** The sales price from the sale, license, lease, or rental of and the storage, use, or other consumption of specified digital goods or additional digital goods, if the sale, license, lease, or rental of and the storage, use, or other consumption of such goods sold in a tangible form is exempt from taxation under this subchapter.

SECTION 477. 77.54 (51) of the statutes is created to read:

77.54 **(51)** The sales price from the sales of and the storage, use, or other consumption of products sold in a transaction that would be a bundled transaction, except that it contains taxable and nontaxable products as described in s. 77.51 (1f) (d), and except that the first person combining the products shall pay the tax imposed under this subchapter on the person's purchase price of the taxable items.

SECTION 478. 77.54 (52) of the statutes is created to read:

77.54 **(52)** The sales price from the sales of and the storage, use, or other consumption of products sold in a transaction that would be a bundled transaction, except that the transaction meets the conditions described in s. 77.51 (1f) (e).

SECTION 479. 77.54 (54) of the statutes is amended to read:

77.54 **(54)** The ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of tangible personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d), and taxable services that are sold by a home exchange service that receives moneys from the appropriation account under s. 20.485 (1) (g) and is operated by the department of veterans affairs.

SECTION 480. 77.54 (56) of the statutes, as created by 2007 Wisconsin Act 20, is amended to read:

77.54 **(56)** (a) The ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of a product whose power source is wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units per day, except that the exemption under this subsection does not apply to an uninterruptible power source that is designed primarily for computers.

(b) Except for the sale of electricity or energy that is exempt from taxation under sub. (30), the ~~gross receipts~~ sales price from the sale of and the storage, use, or other consumption of electricity or energy produced by a product described under par. (a).

SECTION 481. 77.55 (1) (intro.) of the statutes is amended to read:

77.55 **(1)** (intro.) There ~~are~~ is exempted from the computation of the amount of the sales tax the ~~gross receipts~~ sales price from the sale of any tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), and (d), or services to:

SECTION 482. 77.55 (2) of the statutes is amended to read:

77.55 **(2)** There ~~are~~ is exempted from the computation of the amount of the sales tax the ~~gross receipts~~ sales price from sales of tangible personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d), to a common or contract carrier, shipped by the seller via the purchasing carrier under a bill of lading whether the freight is paid in advance, or the shipment is made freight charges collect, to a point outside this state and the property, item, or good is actually transported to the

out-of-state destination for use by the carrier in the conduct of its business as a carrier.

SECTION 483. 77.55 (2m) of the statutes is amended to read:

77.55 **(2m)** There ~~are~~ is exempted from the computation of the amount of sales tax the ~~gross receipts~~ sales price from sales of railroad crossties to a common or contract carrier, shipped wholly or in part by way of the purchasing carrier under a bill of lading, whether the freight is paid in advance or the shipment is made freight charges collect, to a point outside this state if the property is transported to the out-of-state destination for use by the carrier in the conduct of its business as a carrier. Interruption of the shipment for storage, drying, processing or creosoting of the railroad crossties in this state does not invalidate the exemption under this subsection.

SECTION 484. 77.55 (3) of the statutes is amended to read:

77.55 **(3)** There ~~are~~ is exempted from the computation of the amount of the sales tax the ~~gross receipts~~ sales price from sales of tangible personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d), purchased for use solely outside this state and delivered to a forwarding agent, export packer, or other person engaged in the business of preparing goods for export or arranging for their exportation, and actually delivered to a port outside the continental limits of the United States prior to making any use thereof.

SECTION 485. 77.56 (1) of the statutes is amended to read:

77.56 **(1)** The storage, use or other consumption in this state of property, including items, property, and goods under s. 77.52 (1) (b), (c), and (d), the ~~gross receipts~~ sales price from the sale of which ~~are~~ is reported to the department in the measure of the sales tax, is exempted from the use tax.

SECTION 486. 77.57 of the statutes is amended to read:

77.57 Liability of purchaser. If a purchaser certifies in writing to a seller that the tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) purchased will be used in a manner or for a purpose entitling the seller to regard the ~~gross receipts~~ sales price from the sale as exempted by this subchapter from the computation of the amount of the sales tax and uses the property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) in some other manner or for some other purpose, the purchaser is liable for payment of the sales tax. The tax shall be measured by the sales price of the property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) to the purchaser~~, but if the taxable use first occurs more than 6 months after the sale to the purchaser, the purchaser may use as the measure of the tax either that sales price or the fair market value of the property at the time the taxable use first occurs~~.

SECTION 487. 77.58 (3) (a) of the statutes is amended to read:

77.58 **(3)** (a) For purposes of the sales tax a return shall be filed by every seller. For purposes of the use tax a return shall be filed by every retailer engaged in business in this state and by every person purchasing tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services, the storage, use, or other consumption of which is subject to the use tax, who has not paid the use tax due to a retailer required to collect the tax. If a qualified subchapter S subsidiary is not regarded as a separate entity under ch. 71, the owner of that subsidiary shall include the information for that subsidiary on the owner's return. Returns shall be signed by the person required to file the return or by a duly authorized agent but need not be verified by oath. If a single-owner entity is disregarded as a separate entity

under ch. 71, the owner shall include the information from the entity on the owner's return.

SECTION 488. 77.58 (3) (b) of the statutes is amended to read:

77.58 **(3)** (b) ~~For purposes of the sales tax the return shall show the gross receipts of the seller during the preceding reporting period. For purposes of the use tax, in case of a return filed by a retailer, the return shall show the total sales price of the property or taxable services sold, the storage, use or consumption of which became subject to the use tax during the preceding reporting period. In case of a sales or use tax return filed by a purchaser, the return shall show the total sales price of the property and taxable services purchased, the storage, use or consumption of which became subject to the use tax during the preceding reporting period.~~ The return shall ~~also~~ show the amount of the taxes for the period covered by the return and such other information as the department deems necessary for the proper administration of this subchapter.

SECTION 489. 77.58 (6) of the statutes is amended to read:

77.58 **(6)** For the purposes of the sales tax ~~gross receipts~~, the sales price from rentals or leases of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) shall be reported and the tax paid in accordance with such rules as the department prescribes.

SECTION 490. 77.58 (6m) of the statutes is created to read:

77.58 **(6m)** (a) The department may, in cases where it is satisfied that an undue hardship would otherwise result, permit the reporting of a sales price or purchase price on some basis other than the accrual basis.

(b) The entire sales price of credit transactions shall be reported in the period in which the sale is made without reduction in the amount of tax payable by the

retailer by reason of the retailer's transfer at a discount of any open account, note, conditional sales contract, lease contract, or other evidence of indebtedness.

SECTION 491. 77.58 (9a) of the statutes is created to read:

77.58 **(9a)** In addition to filing a return as provided in this section, a person described under s. 77.524 (3), (4), or (5) shall provide to the department any information that the department considers necessary for the administration of this subchapter, in the manner prescribed by the department, except that the department may not require that the person provide such information to the department more than once every 180 days.

SECTION 492. 77.585 of the statutes is created to read:

77.585 Return adjustments. (1) (a) In this subsection, "bad debt" means the portion of the sales price or purchase price that the seller has reported as taxable under this subchapter and that the seller may claim as a deduction under section 166 of the Internal Revenue Code. "Bad debt" does not include financing charges or interest, sales or use taxes imposed on the sales price or purchase price, uncollectible amounts on tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) that remain in the seller's possession until the full sales price or purchase price is paid, expenses incurred in attempting to collect any debt, debts sold or assigned to 3rd parties for collection, and repossessed property or items.

(b) A seller may claim as a deduction on a return under s. 77.58 the amount of any bad debt that the seller writes off as uncollectible in the seller's books and records and that is eligible to be deducted as a bad debt for federal income tax purposes, regardless of whether the seller is required to file a federal income tax return. A seller who claims a deduction under this paragraph shall claim the deduction on the return under s. 77.58 that is submitted for the period in which the seller writes off

the amount of the deduction as uncollectible in the seller's books and records and in which such amount is eligible to be deducted as bad debt for federal income tax purposes. If the seller subsequently collects in whole or in part any bad debt for which a deduction is claimed under this paragraph, the seller shall include the amount collected in the return filed for the period in which the amount is collected and shall pay the tax with the return.

(c) For purposes of computing a bad debt deduction or reporting a payment received on a previously claimed bad debt, any payment made on a debt or on an account is applied first to the price of the tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service sold, and the proportionate share of the sales tax on that property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service, and then to interest, service charges, and other charges related to the sale.

(d) A seller may obtain a refund of the tax collected on any bad debt amount deducted under par. (b) that exceeds the amount of the seller's taxable sales as provided under s. 77.59 (4), except that the period for making a claim as determined under s. 77.59 (4) begins on the date on which the return on which the bad debt could be claimed would have been required to be submitted to the department under s. 77.58.

(e) If a seller is using a certified service provider, the certified service provider may claim a bad debt deduction under this subsection on the seller's behalf if the seller has not claimed and will not claim the same deduction. A certified service provider who receives a bad debt deduction under this subsection shall credit that deduction to the seller and a certified service provider who receives a refund under this subsection shall submit that refund to the seller.

(f) If a bad debt relates to the retail sales of tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services that were sourced to this state and to one or more other states, as determined under s. 77.522, the total amount of such bad debt shall be apportioned among the states to which the underlying sales were sourced in a manner prescribed by the department to arrive at the amount of the deduction under par. (b).

(2) If a lessor of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) has reimbursed the vendor for the sales tax on the sale of the property, items, or goods by the vendor to the lessor, the tax due from the lessor on the rental receipts may be offset by a credit equal to the tax otherwise due on the rental receipts from the property, items, or goods for the reporting period. The credit shall expire when the cumulative rental receipts equal the sales price upon which the vendor paid sales taxes to this state.

(3) If a purchaser of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) has reimbursed the vendor of the property, items, or goods for the sales tax on the sale and subsequently, before making any use of the property, items, or goods other than retention, demonstration, or display while holding it for sale or rental, makes a taxable sale of the property, items, or goods the tax due on the taxable sale may be offset by the tax reimbursed.

(4) A seller may claim a deduction on any part of the sales price or purchase price that the seller refunds in cash or credit as a result of returned tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) or adjustments in the sales price or purchase price after the sale has been completed, if the seller has included the refunded price in a prior return made by the seller and has paid the tax on such price, and if the seller has returned to the purchaser in cash or in credit all

tax previously paid by the purchaser on the amount of the refund at the time of the purchase. A deduction under this subsection shall be claimed on the return for the period in which the refund is paid.

(5) No reduction in the amount of tax payable by the retailer is allowable in the event that tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) sold on credit are repossessed except where the entire consideration paid by the purchaser is refunded to the purchaser or where a credit for a worthless account is allowable under sub. (1).

(6) A purchaser who is subject to the use tax on the storage, use, or other consumption of fuel may claim a deduction from the purchase price that is subject to the use tax for fuel taxes refunded by this state or the United States to the purchaser that is included in the purchase price of the fuel.

(7) For sales tax purposes, if a retailer establishes to the department's satisfaction that the sales tax has been added to the total amount of the sales price and has not been absorbed by the retailer, the total amount of the sales price shall be the amount received exclusive of the sales tax imposed.

(8) A sale or purchase involving transfer of ownership of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) is completed at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent, except that for purposes of sub. (1) a common carrier or the U.S. postal service shall be considered the agent of the seller, regardless of any f.o.b. point and regardless of the method by which freight or postage is paid.

SECTION 493. 77.59 (2m) of the statutes is created to read:

77.59 **(2m)** The department may audit, or may authorize others to audit, sellers and certified service providers who are registered with the department pursuant to the agreement, as defined in s. 77.65 (2) (a).

SECTION 494. 77.59 (5m) of the statutes is amended to read:

77.59 **(5m)** A seller who receives a refund under sub. (4) (a) or (b) of taxes that the seller has collected from buyers, who collects amounts as taxes erroneously from buyers, but who does not remit such amounts to the state, or who is entitled to a refund under sub. (4) (a) or (b) that is offset under sub. (5), shall submit the taxes and related interest to the buyers from whom the taxes were collected, or to the department if the seller cannot locate the buyers, within 90 days after the date of the refund, after the date of the offset, or after discovering that the seller has collected taxes erroneously from the buyers. If the seller does not submit the taxes and related interest to the department or the buyers within that period, the seller shall submit to the department any part of a refund or taxes that the seller does not submit to a buyer or to the department along with a penalty of 25% of the amount not submitted or, in the case of fraud, a penalty equal to the amount not submitted. A person who collects amounts as taxes erroneously from buyers for a real property construction activity or nontaxable service may reduce the taxes and interest that he or she is required to submit to the buyer or to the department under this subsection for that activity or service by the amount of tax and interest subsequently due and paid on the sale of or the storage, use, or other consumption of tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d) that ~~is~~ are used by the person in that activity or service and transferred to the buyer.

SECTION 495. 77.59 (9) of the statutes is amended to read:

77.59 **(9)** If any person fails to file a return, the department shall make an estimate of the amount of the ~~gross receipts~~ sales price of the ~~person~~ person's sales, or, as the case may be, of the amount of the total ~~sales~~ purchase price of tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable service sold or purchased by the person, the sale by or the storage, use, or other consumption of which in this state is subject to sales or use tax. The estimate shall be made for the period in respect to which the person failed to make a return and shall be based upon any information which is in the department's possession or may come into its possession. Upon the basis of this estimate the department shall compute and determine the amount required to be paid to the state, adding to the sum thus arrived at a penalty equal to 25% thereof. One or more such determinations may be made for one or for more than one period. When a business is discontinued a determination may be made at any time thereafter, within the periods specified in sub. (3), as to liability arising out of that business.

SECTION 496. 77.59 (9n) of the statutes is created to read:

77.59 **(9n)** (a) Notwithstanding s. 73.03 (47), and except as provided in par. (b), no seller or certified service provider is liable for tax, interest, or penalties imposed on a transaction under this subchapter if the seller or certified service provider charged and collected the incorrect amount of the sales or use tax as a result of relying on erroneous data provided in the databases under s. 73.03 (61) (e) and (f).

(b) Notwithstanding s. 73.03 (47), no seller or certified service provider is liable for the tax, interest, or penalties imposed on a transaction under this subchapter if the seller or certified service provider failed to collect the sales and use taxes due on an item or transaction because the seller or certified service provider relied on the certification under s. 73.03 (61) (b). This paragraph does not apply to a seller or

certified service provider who has incorrectly classified an item or transaction into a specific product category, unless such classification was approved by the states that are signatories to the agreement, as defined in s. 77.65 (2) (a). If the state determines that it has incorrectly classified an item or transaction, sellers and certified service providers that do not revise the classification of the item or transaction within 10 days after receiving notice from the department that an item or transaction was incorrectly classified are liable for the tax, interest, or penalties imposed on the item or transaction for the incorrect classification after the 10-day period.

(c) A purchaser is not liable for the tax, interest, or penalties imposed on a transaction under this subchapter if the seller or certified service provider from whom the purchaser made the purchase relied on erroneous data provided in the databases under s. 73.03 (61) (e) and (f) or if the purchaser relied on erroneous data provided in the databases under s. 73.03 (61) (e) and (f). With respect to reliance on the database provided under s. 73.03 (61) (e), the relief provided under this paragraph is limited to the erroneous classification in the database of terms defined in this subchapter and specifically identified in the database as being "taxable," "exempt," "included in sales price" or "excluded from sales price," or "included in the definition" or "excluded from the definition."

SECTION 497. 77.59 (9p) (b) of the statutes is created to read:

77.59 **(9p)** (b) If a customer purchases a service that is not subject to 4 USC 116 to 126, as amended by P.L. 106-252, tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), and if the customer believes that the amount of the tax assessed for the sale of the service, property, items, or goods under this subchapter is erroneous, the customer may request that the seller correct the alleged error by sending a written notice to the seller. The notice shall include a description

of the alleged error and any other information that the seller reasonably requires to process the request. Within 60 days from the date that a seller receives a request under this paragraph, the seller shall review its records to determine the validity of the customer's claim. If the review indicates that there is no error as alleged, the seller shall explain the findings of the review in writing to the customer. If the review indicates that there is an error as alleged, the seller shall correct the error and shall refund the amount of any tax collected erroneously, along with the related interest, as a result of the error from the customer, consistent with s. 77.59 (4). A customer may take no other action against the seller, or commence any action against the seller, to correct an alleged error in the amount of the tax assessed under this subchapter on a service that is not subject to 4 USC 116 to 126, as amended by P.L. 106–252, tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d) unless the customer has exhausted his or her remedies under this paragraph.

SECTION 498. 77.59 (9r) of the statutes is created to read:

77.59 **(9r)** With regard to a purchaser's request for a refund under this section, a seller is presumed to have reasonable business practices if the seller uses a certified service provider, a certified automated system, as defined in s. 77.524 (1) (am), or a proprietary system certified by the department to collect the taxes imposed under this subchapter and if the seller has remitted to the department all taxes collected under this subchapter, less any deductions, credits, or allowances.

SECTION 499. 77.60 (13) of the statutes is created to read:

77.60 **(13)** A person who uses any of the following documents in a manner that is prohibited by or inconsistent with this subchapter, or provides incorrect information to a seller or certified service provider related to the use of such

documents or regarding an exemption to the taxes imposed under this subchapter, shall pay a penalty of $250 for each invoice or bill of sale related to the prohibited or inconsistent use or incorrect information:

(a) An exemption certificate described under ss. 77.52 (13) and 77.53 (10).

(b) A direct pay permit under s. 77.52 (17m).

(c) An exemption certificate claiming direct mail.

SECTION 500. 77.61 (1) (b) of the statutes is amended to read:

77.61 **(1)** (b) In the case of ~~a motor vehicle~~ motor vehicles, boats, snowmobiles, recreational vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles, or aircraft purchased from a ~~licensed Wisconsin motor vehicle dealer~~ retailer, the registrant shall present proof that the tax has been paid to such ~~dealer~~ retailer.

SECTION 501. 77.61 (1) (c) of the statutes is amended to read:

77.61 **(1)** (c) In the case of motor vehicles, boats, snowmobiles, recreational vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles, or aircraft registered or titled, or required to be registered or titled, in this state purchased from persons who are not ~~Wisconsin boat, trailer, or semitrailer dealers, licensed Wisconsin aircraft, motor vehicle, or recreational vehicle, as defined in s. 340.01 (48r), dealers or registered Wisconsin snowmobile or all-terrain vehicle dealers~~ retailers, the purchaser shall file a sales tax return and pay the tax prior to registering or titling the motor vehicle, boat, snowmobile, recreational vehicle, as defined in s. 340.01 (48r), semitrailer, all-terrain vehicle, or aircraft in this state.

SECTION 502. 77.61 (2) of the statutes is renumbered 77.61 (2) (intro.) and amended to read:

77.61 **(2)** (intro.) In order to protect the revenue of the state:

(a) Except as provided in par. (b), the department may require any person who is or will be liable to it for the tax imposed by this subchapter to place with it, before or after a permit is issued, the security, not in excess of $15,000, that the department determines. In determining the amount of security to require under this subsection, the department may consider the person's payment of other taxes administered by the department and any other relevant facts. If any taxpayer fails or refuses to place that security, the department may refuse or revoke the permit. If any taxpayer is delinquent in the payment of the taxes imposed by this subchapter, the department may, upon 10 days' notice, recover the taxes, interest, costs and penalties from the security placed with the department by the taxpayer in the following order: costs, penalties, delinquent interest, delinquent tax. No interest may be paid or allowed by the state to any person for the deposit of security. Any security deposited under this subsection shall be returned to the taxpayer if the taxpayer has, for 24 consecutive months, complied with all the requirements of this subchapter.

SECTION 503. 77.61 (2) (b) of the statutes is created to read:

77.61 **(2)** (b) A certified service provider who has contracted with a seller, and filed an application, to collect and remit sales and use taxes imposed under this subchapter on behalf of the seller shall submit a surety bond to the department to guarantee the payment of sales and use taxes, including any penalty and interest on such payment. The department shall approve the form and contents of a bond submitted under this paragraph and shall determine the amount of such bond. The surety bond shall be submitted to the department within 60 days after the date on which the department notifies the certified service provider that the certified service provider is registered to collect sales and use taxes imposed under this subchapter. If the department determines, with regards to any one certified service provider, that

no bond is necessary to protect the tax revenues of this state, the secretary of revenue or the secretary's designee may waive the requirements under this paragraph with regard to that certified service provider. Any bond submitted under this paragraph shall remain in force until the secretary of revenue or the secretary's designee releases the liability under the bond.

SECTION 504. 77.61 (3) of the statutes is repealed.

SECTION 505. 77.61 (3m) of the statutes is created to read:

77.61 **(3m)** A retailer shall use a straight mathematical computation to determine the amount of the tax that the retailer may collect from the retailer's customers. The retailer shall calculate the tax amount by combining the applicable tax rates under this subchapter and subch. V and multiplying the combined tax rate by the sales price or purchase price of each item or invoice, as appropriate. The retailer shall calculate the tax amount to the 3rd decimal place, disregard tax amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less than 1 cent to be an additional cent. The use of a straight mathematical computation, as provided in this subsection, shall not relieve the retailer from liability for payment of the full amount of the tax levied under this subchapter.

SECTION 506. 77.61 (4) (a) of the statutes is amended to read:

77.61 **(4)** (a) Every seller and retailer and every person storing, using or otherwise consuming in this state tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services purchased from a retailer shall keep such records, receipts, invoices, and other pertinent papers and records, including machine-readable records, in such form as the department requires. The department may, after giving notice, require any person to keep whatever records are needed for the department to compute the sales or use taxes the person should pay.

Thereafter, the department shall add to any taxes assessed on the basis of information not contained in the records required a penalty of 25% of the amount of the tax so assessed in addition to all other penalties under this chapter.

SECTION 507. 77.61 (4) (c) of the statutes is amended to read:

77.61 **(4)** (c) For reporting the sales tax and collecting and reporting the use tax imposed on the retailer under s. 77.53 (3) and the accounting connected with it, retailers, not including certified service providers that receive compensation under s. 73.03 (61) (h), may deduct 0.5% of those taxes payable or $10 for that reporting period required under s. 77.58 (1), whichever is greater, but not more than the amount of the sales taxes or use taxes that is payable under ss. 77.52 ~~(1)~~ and 77.53 (3) for that reporting period required under s. 77.58 (1), as administration expenses if the payment of the taxes is not delinquent. For purposes of calculating the retailer's discount under this paragraph, the taxes on retail sales reported by retailers under subch. V, including taxes collected and remitted as required under s. 77.785, shall be included if the payment of those taxes is not delinquent.

SECTION 508. 77.61 (5m) of the statutes is created to read:

77.61 **(5m)** (a) In this subsection, "personally identifiable information" means any information that identifies a person.

(b) A certified service provider may use personally identifiable information as necessary only for the administration of its system to perform a seller's sales and use tax functions and shall provide consumers clear and conspicuous notice of its practice regarding such information, including what information it collects, how it collects the information, how it uses the information, how long, if at all, it retains the information, and under what circumstances it discloses the information to states participating in the agreement, as defined in 77.65 (2) (a).

(c) A certified service provider may collect, use, and retain personally identifiable information only to verify exemption claims, to document the correct assignment of taxing jurisdictions, to investigate fraud, and to ensure its system's reliability.

(d) A certified service provider shall provide sufficient technical, physical, and administrative safeguards to protect personally identifiable information from unauthorized access and disclosure.

(e) For purposes of this subchapter, the state shall provide to consumers public notice of the state's practices related to collecting, using, and retaining personally identifiable information.

(f) The state shall not retain personally identifiable information obtained for purposes of administering this subchapter unless the state is otherwise required to retain the information by law or as provided under the agreement, as defined in s. 77.65 (2) (a).

(g) For purposes of this subchapter, the state shall provide an individual reasonable access to that individual's personally identifiable information and the right to correct any inaccurately recorded information.

(h) If any person, other than another state that is a signatory to the agreement, as defined in s. 77.65 (2) (a), or a person authorized under state law to access the information, requests access to an individual's personally identifiable information, the state shall make a reasonable and timely effort to notify the individual of the request.

SECTION 509. 77.61 (11) of the statutes is amended to read:

77.61 **(11)** Any city, village or town clerk or other official whose duty it is to issue licenses or permits to engage in a business involving the sale at retail of tangible

personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) subject to tax under this subchapter, or the furnishing of services so subject to tax, shall, before issuing such license or permit, require proof that the person to whom such license or permit is to be issued is the holder of a seller's permit ~~as required by~~ or is registered to collect, report, and remit use tax under this subchapter or has been informed by an employee of the department that the department will issue a seller's permit to that person or register that person to collect, report, and remit use tax.

SECTION 510. 77.61 (16) of the statutes is created to read:

77.61 **(16)** Any person who remits taxes and files returns under this subchapter may designate an agent, as defined in s. 77.524 (1) (ag), to remit such taxes and file such returns with the department in a manner prescribed by the department.

SECTION 511. 77.61 (17) of the statutes is created to read:

77.61 **(17)** With regard to services subject to the tax under s. 77.52 (2) or the lease, rental, or license of tangible personal property and property, items, and goods specified under s. 77.52 (1) (b), (c), and (d), an increase in the tax rate applies to the first billing period beginning on or after the rate increase's effective date and a decrease in the tax rate applies to bills that are rendered on or after the rate decrease's effective date.

SECTION 512. 77.61 (18) of the statutes is created to read:

77.61 **(18)** The department shall notify sellers with respect to any change in the rate of the taxes imposed under this subchapter at least 30 days prior to the change's effective date and any such change shall take effect on January 1, April 1, July 1, or October 1.

SECTION 513. 77.63 of the statutes is repealed and recreated to read:

77.63 Collection compensation. The following persons may retain a portion of sales and use taxes collected on retail sales under this subchapter and subch. V in an amount determined by the department and by contracts that the department enters into jointly with other states as a member state of the streamlined sales tax governing board pursuant to the agreement, as defined in s. 77.65 (2) (a):

(1) A certified service provider.

(2) A seller that uses a certified automated system, as defined in s. 77.524 (1) (am).

(3) A seller that sells tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services in at least 5 states that are signatories to the agreement, as defined in s. 77.65 (2) (a); that has total annual sales revenue of at least $500,000,000; that has a proprietary system that calculates the amount of tax owed to each taxing jurisdiction in which the seller sells tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services; and that has entered into a performance agreement with the states that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of this subsection, "seller" includes an affiliated group of sellers using the same proprietary system to calculate the amount of tax owed in each taxing jurisdiction in which the sellers sell tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services.

SECTION 514. 77.65 (2) (a) of the statutes is amended to read:

77.65 **(2)** (a) "Agreement" means the streamlined sales and use tax agreement, including amendments to the agreement.

SECTION 515. 77.65 (2) (c) of the statutes is repealed.

SECTION 516. 77.65 (2) (e) of the statutes is amended to read:

77.65 **(2)** (e) "Seller" means any person who sells, licenses, leases, or rents tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services.

SECTION 517. 77.65 (2) (f) of the statutes is amended to read:

77.65 **(2)** (f) "State" means any state of the United States ~~and~~, the District of Columbia, and the Commonwealth of Puerto Rico.

SECTION 518. 77.65 (4) (fm) of the statutes is created to read:

77.65 **(4)** (fm) Provide that a seller who registers with the central electronic registration system under par. (f) may cancel the registration at any time, as provided under uniform procedures adopted by the governing board of the states that are signatories to the agreement, but is required to remit any Wisconsin taxes collected pursuant to the agreement to the department.

SECTION 519. 77.66 of the statutes is amended to read:

77.66 Certification for collection of sales and use tax. The secretary of revenue shall determine and periodically certify to the secretary of administration the names of persons, and affiliates, as defined in s. 16.70 (1b), of persons, who make sales of tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), and taxable services that are subject to the taxes imposed under this subchapter but who are not registered to collect and remit such taxes to the department or, if registered, do not collect and remit such taxes.

SECTION 520. 77.67 of the statutes is created to read:

77.67 Amnesty for new registrants. (1) A seller is not liable for uncollected and unpaid taxes, including penalties and interest, imposed under this subchapter and subch. V on sales made to purchasers in this state before the seller registers under par. (a), if all of the following apply:

(a) The seller registers with the department, in a manner that the department prescribes, to collect and remit the taxes imposed under this subchapter and subch. V on sales to purchasers in this state in accordance with the agreement, as defined in s. 77.65 (2) (a).

(b) The seller registers under par. (a) no later than 365 days after the effective date of this state's participation in the agreement under s. 77.65 (2) (a), as determined by the department.

(c) The seller was not registered to collect and remit the taxes imposed under this subchapter and subch. V during the 365 consecutive days immediately before the effective date of this state's participation in the agreement under s. 77.65 (2) (a), as determined by the department.

(d) The seller has not received a notice of the commencement of an audit from the department or, if the seller has received a notice of the commencement of an audit from the department, the audit has been fully resolved, including any related administrative and judicial processes, at the time that the seller registers under par. (a).

(e) The seller has not committed or been involved in a fraud or an intentional misrepresentation of a material fact.

(f) The seller collects and remits the taxes imposed under this subchapter and subch. V on sales to purchasers in this state for at least 3 consecutive years after the date on which the seller's collection obligation begins.

(2) Subsection (1) does not apply to taxes imposed under this subchapter and subch. V that are due from the seller for purchases made by the seller.

SECTION 521. 77.70 of the statutes is amended to read:

77.70 Adoption by county ordinance. Any county desiring to impose county sales and use taxes under this subchapter may do so by the adoption of an ordinance, stating its purpose and referring to this subchapter. The county sales and use taxes may be imposed only for the purpose of directly reducing the property tax levy and only in their entirety as provided in this subchapter. That ordinance shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before the effective date of the repeal.

SECTION 522. 77.705 of the statutes is amended to read:

77.705 Adoption by resolution; baseball park district. A local professional baseball park district created under subch. III of ch. 229, by resolution under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at a rate of no more than 0.1% of the ~~gross receipts or~~ sales price or purchase price. Those taxes may be imposed only in their entirety. The resolution shall be effective on the first ~~day of the first month~~ January 1, April 1, July 1, or October 1 that begins at least ~~30~~ 120 days after the adoption of the resolution. Any moneys transferred from the appropriation account under s. 20.566 (1) (gd) to the appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt.

SECTION 523. 77.706 of the statutes is amended to read:

77.706 Adoption by resolution; football stadium district. A local professional football stadium district created under subch. IV of ch. 229, by resolution under s. 229.824 (15), may impose a sales tax and a use tax under this

subchapter at a rate of 0.5% of the ~~gross receipts or~~ sales price or purchase price. Those taxes may be imposed only in their entirety. The imposition of the taxes under this section shall be effective on the first ~~day of the first month~~ January 1, April 1, July 1, or October 1 that begins at least ~~30~~ 120 days after the certification of the approval of the resolution by the electors in the district's jurisdiction under s. 229.824 (15). Any moneys transferred from the appropriation account under s. 20.566 (1) (ge) to the appropriation account under s. 20.835 (4) (ge) shall be used exclusively to retire the district's debt.

SECTION 524. 77.707 (1) of the statutes is amended to read:

77.707 **(1)** Retailers and the department of revenue may not collect a tax under s. 77.705 for any local professional baseball park district created under subch. III of ch. 229 after the last day of the calendar quarter ~~during~~ that is at least 120 days from the date on which the local professional baseball park district board makes a certification to the department of revenue under s. 229.685 (2), except that the department of revenue may collect from retailers taxes that accrued before the day after the last day of that calendar quarter and fees, interest and penalties that relate to those taxes.

SECTION 525. 77.707 (2) of the statutes is amended to read:

77.707 **(2)** Retailers and the department of revenue may not collect a tax under s. 77.706 for any local professional football stadium district created under subch. IV of ch. 229 after the last day of the calendar quarter ~~during~~ that is at least 120 days from the date on which the local professional football stadium district board makes all of the certifications to the department of revenue under s. 229.825 (3), except that the department of revenue may collect from retailers taxes that accrued before the

day after the last day of that calendar quarter and fees, interest and penalties that relate to those taxes.

SECTION 526. 77.71 (1) of the statutes is amended to read:

77.71 **(1)** For the privilege of selling, licensing, leasing or renting tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and for the privilege of selling, licensing, performing or furnishing services a sales tax is imposed upon retailers at the rate of 0.5% in the case of a county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~gross receipts~~ sales price from the sale, license, lease or rental of tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed under sub. (4), sold, licensed, leased or rented at retail in the county or special district or from selling, licensing, performing or furnishing services described under s. 77.52 (2) in the county or special district.

SECTION 527. 77.71 (2) of the statutes is amended to read:

77.71 **(2)** An excise tax is imposed at the rate of 0.5% in the case of a county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~sales~~ purchase price upon every person storing, using or otherwise consuming in the county or special district tangible personal property, or items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property, item, property, good, or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax under this subsection and except that if the buyer has paid a similar local tax in another state on a purchase of the same tangible personal property, item, property, good, or services that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a

purpose in addition to retention, demonstration or display while held for sale in the regular course of business by a dealer the tax under this subsection is imposed not on the ~~sales~~ purchase price but on the amount under s. 77.53 (1m).

SECTION 528. 77.71 (3) of the statutes is amended to read:

77.71 **(3)** An excise tax is imposed upon a contractor engaged in construction activities within the county or special district, at the rate of 0.5% in the case of a county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~sales~~ purchase price of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) that ~~is~~ are used in constructing, altering, repairing or improving real property and that ~~becomes~~ became a component part of real property in that county or special district, except that if the contractor has paid the sales tax of a county in the case of a county tax or of a special district in the case of a special district tax in this state on that tangible personal property, item, property, or good, or has paid a similar local sales tax in another state on a purchase of the same tangible personal property, item, property, or good, that tax shall be credited against the tax under this subsection.

SECTION 529. 77.71 (4) of the statutes is amended to read:

77.71 **(4)** An excise tax is imposed at the rate of 0.5 percent in the case of a county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~sales~~ purchase price upon every person storing, using or otherwise consuming a motor vehicle, boat, ~~snowmobile,~~ recreational vehicle, as defined in s. 340.01 (48r), ~~trailer, semitrailer, all-terrain vehicle~~ or aircraft, if that property must be registered or titled with this state and if that property is to be customarily kept in a county that has in effect an ordinance under s. 77.70 or in a special district that has in effect a resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local

sales tax in another state on a purchase of the same property that tax shall be credited against the tax under this subsection.

SECTION 530. 77.72 (title) of the statutes is repealed.

SECTION 531. 77.72 (1) of the statutes is renumbered 77.72 and amended to read:

77.72 General rule ~~for property~~. For the purposes of this subchapter, all retail sales of tangible personal property ~~are completed at the time when, and the place where, the seller or the seller's agent transfers possession to the buyer or the buyer's agent. In this subsection, a common carrier or the U.S. postal service is the agent of the seller, regardless of any f.o.b. point and regardless of the method by which freight or postage is paid. Rentals and leases of property, except property under sub. (2), have a situs at the location of that property~~, and items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and taxable services are sourced as provided in s. 77.522.

SECTION 532. 77.72 (2) and (3) of the statutes are repealed.

SECTION 533. 77.73 (2) of the statutes is amended to read:

77.73 **(2)** Counties and special districts do not have jurisdiction to impose the tax under s. 77.71 (2) in regard to items, property, and goods under s. 77.52 (1) (b), (c), and (d), and tangible personal property, except snowmobiles, trailers, semitrailers, and all-terrain vehicles, purchased in a sale that is consummated in another county or special district in this state that does not have in effect an ordinance or resolution imposing the taxes under this subchapter and later brought by the buyer into the county or special district that has imposed a tax under s. 77.71 (2).

SECTION 534. 77.73 (3) of the statutes is created to read:

77.73 **(3)** Counties and special districts have jurisdiction to impose the taxes under this subchapter on retailers who file an application under s. 77.52 (7) or who register under s. 77.53 (9) or (9m), regardless of whether such retailers are engaged in business in the county or special district, as provided in s. 77.51 (13g). A retailer who files an application under s. 77.52 (7) or who registers under s. 77.53 (9) or (9m) shall collect, report, and remit to the department the taxes imposed under this subchapter for all counties and special districts that have an ordinance or resolution imposing the taxes under this subchapter.

SECTION 535. 77.75 of the statutes is amended to read:

77.75 Reports. Every person subject to county or special district sales and use taxes shall, for each reporting period, record that person's sales made in the county or special district that has imposed those taxes separately from sales made elsewhere in this state and file a report ~~of the measure of the county or special district sales and use taxes and the tax due thereon separately~~ as prescribed by the department of revenue.

SECTION 536. 77.77 (1) of the statutes is renumbered 77.77 (1) (a) and amended to read:

77.77 **(1)** (a) The ~~gross receipts~~ sales price from services subject to the tax under s. 77.52 (2) ~~are not~~ or the lease, rental, or license of tangible personal property and property, items, and goods specified under s. 77.52 (1) (b), (c), and (d), is subject to the taxes under this subchapter, and the incremental amount of tax caused by a rate increase applicable to those services, leases, rentals, or licenses is ~~not~~ due, ~~if those services are billed to the customer and paid for before~~ beginning with the first billing period starting on or after the effective date of the county ordinance, special district resolution, or rate increase, regardless of whether the service is furnished or the

property, item, or good is leased, rented, or licensed to the customer before or after that date.

SECTION 537. 77.77 (1) (b) of the statutes is created to read:

77.77 **(1)** (b) The sales price from services subject to the tax under s. 77.52 (2) or the lease, rental, or license of tangible personal property and property, items, and goods specified under s. 77.52 (1) (b), (c), and (d), is not subject to the taxes under this subchapter, and a decrease in the tax rate imposed under this subchapter on those services first applies, beginning with bills rendered on or after the effective date of the repeal or sunset of a county ordinance or special district resolution imposing the tax or other rate decrease, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after that date.

SECTION 538. 77.77 (2) of the statutes is repealed.

SECTION 539. 77.785 (1) of the statutes is amended to read:

77.785 **(1)** All retailers shall collect and report the taxes under this subchapter on the ~~gross receipts~~ sales price from leases and rentals of property or items, property, and goods under s. 77.52 (1) (b), (c), and (d) under s. 77.71 (4).

SECTION 540. 77.785 (2) of the statutes is amended to read:

77.785 **(2)** Prior to registration or titling, a retailer of a boat, ~~all-terrain vehicle, trailer and semi-trailer dealers and licensed~~ aircraft, motor vehicle, manufactured home, as defined in s. 101.91 (2), or recreational vehicle, as defined in s. 340.01 (48r), ~~and snowmobile dealers~~ shall collect the taxes under this subchapter on sales of items under s. 77.71 (4). The ~~dealer~~ retailer shall remit those taxes to the department of revenue along with payments of the taxes under subch. III.

SECTION 541. 77.92 (4) of the statutes is amended to read:

77.92 **(4)** "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), ~~(3s),~~ (3n), (3p), (3r), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate, transitional adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions from farming. "Net business income," with respect to a natural person, estate, or trust, means profit from a trade or business for federal income tax purposes and includes net income derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

SECTION 542. 77.98 of the statutes is amended to read:

77.98 Imposition. A local exposition district under subch. II of ch. 229 may impose a tax on the retail sale, except sales for resale, within the district's jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20) (c) 1. to 3. and not~~ candy, as defined in s. 77.51 (1fm), prepared food, as defined in s. 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) ~~or (20) (c) 5.~~, (20n) (b) and (c), and (20r).

SECTION 543. 77.981 of the statutes is amended to read:

77.981 Rate. The tax under s. 77.98 is imposed on the sale of taxable products at the rate of 0.25% of the ~~gross receipts~~ sales price, except that the district, by a vote of a majority of the authorized members of its board of directors, may impose the tax at the rate of 0.5% of the ~~gross receipts~~ sales price. A majority of the authorized members of the district's board may vote that, if the balance in a special debt service reserve fund of the district is less than the requirement under s. 229.50 (5), the tax rate under this subchapter is 0.5%. The 0.5% rate shall be effective on the next January 1, April 1, July 1 or October 1, and this tax is irrepealable if any bonds issued by the district and secured by the special debt service reserve fund are outstanding.

SECTION 544. 77.982 (2) of the statutes is repealed and recreated to read:

77.982 **(2)** Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch. III, apply to the tax under this subchapter. Section 77.73, as it applies to the taxes under subch. V, applies to the tax under this subchapter.

SECTION 545. 77.99 of the statutes is amended to read:

77.99 Imposition. A local exposition district under subch. II of ch. 229 may impose a tax at the rate of 3% of the ~~gross receipts~~ sales price on the rental, but not for rerental and not for rental as a service or repair replacement vehicle, within the district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by establishments primarily engaged in short-term rental of passenger cars without drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's authorized board of directors may vote to increase the tax rate under this subchapter

to 4%. A resolution to adopt the taxes imposed under this section, or an increase in the tax rate, shall be effective on the first January 1, April 1, July 1, or October 1 following the adoption of the resolution or tax increase.

SECTION 546. 77.991 (2) of the statutes is repealed and recreated to read:

77.991 **(2)** Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch. III, apply to the tax under this subchapter. Section 77.73, as it applies to the taxes under subch. V, applies to the tax under this subchapter. The renter shall collect the tax under this subchapter from the person to whom the passenger car is rented.

SECTION 547. 77.994 (1) (intro.) of the statutes is amended to read:

77.994 **(1)** (intro.) Except as provided in sub. (2), a municipality or a county all of which is included in a premier resort area under s. 66.1113 may, by ordinance, impose a tax at a rate of 0.5% of the ~~gross receipts~~ sales price from the sale, license, lease, or rental in the municipality or county of goods or services that are taxable under subch. III made by businesses that are classified in the standard industrial classification manual, 1987 edition, published by the U.S. office of management and budget, under the following industry numbers:

SECTION 548. 77.9941 (4) of the statutes is amended to read:

77.9941 **(4)** Sections 77.72 ~~(1), (2) (a) and (3) (a)~~, 77.73, 77.74, 77.75, 77.76 (1), (2), and (4), 77.77 (1) ~~and (2)~~, 77.785 (1), and 77.79, as they apply to the taxes under subch. V, apply to the tax under this subchapter.

SECTION 549. 77.995 (2) of the statutes is amended to read:

77.995 **(2)** There is imposed a fee at the rate of 5 percent of the ~~gross receipts~~ sales price on the rental, but not for rerental and not for rental as a service or repair

replacement vehicle of Type 1 automobiles, as defined in s. 340.01 (4) (a); of recreational vehicles, as defined in s. 340.01 (48r); of motor homes, as defined in s. 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by establishments primarily engaged in short-term rental of vehicles without drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m) or (9a). There is also imposed a fee at the rate of 5 percent of the ~~gross receipts~~ sales price on the rental of limousines.

SECTION 550. 77.9951 (2) of the statutes is repealed and recreated to read:

77.9951 **(2)** Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch. III, apply to the fee under this subchapter. The renter shall collect the fee under this subchapter from the person to whom the vehicle is rented.

SECTION 551. 77.996 (6) of the statutes is amended to read:

77.996 **(6)** "Gross receipts" ~~has the meaning given in s. 77.51 (4) (a), (b) 1. and 5., (c) 1. to 4., and (d)~~ means the sales price, as defined in s. 77.51 (15b), of tangible personal property and taxable services sold by a dry cleaning facility. "Gross receipts" does not include the license fee imposed under s. 77.9961 (1m) that is passed on to customers.

SECTION 552. 77.9972 (2) of the statutes is repealed and recreated to read:

77.9972 **(2)** Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch. III, apply to the fee under this subchapter. Section 77.73, as it applies to the taxes under subch. V, applies to the fee under this subchapter. The renter shall

collect the fee under this subchapter from the person to whom the passenger car is rented.

SECTION 553. 84.03 (2) (a) 1. of the statutes is amended to read:

84.03 **(2)** (a) 1. "Amount of federal funds" means the sum of federal revenues received under the federal Intermodal Surface Transportation Efficiency Act of 1991, as amended, or under a substantially similar federal legislative act. "Amount of federal funds" does not include the first $300,000,000 of federal moneys received by the state, pursuant to federal legislation enacted during the 111th Congress, for the purpose of reviving the economy of the United States, which moneys are intended to be used for transportation purposes.

SECTION 554. 86.195 (3) (b) 3. of the statutes is amended to read:

86.195 **(3)** (b) 3. Fifty percent of the ~~gross receipts~~ sales price, as defined in s. 77.51 (15b), of the business ~~are~~ is from ~~meal, food,~~ the sale of food ~~product and beverage sales~~ and food ingredients, as defined in s. 77.51 (3t), that are taxable under ~~s. 77.54 (20) (c)~~ subch. III of ch. 77; and

SECTION 555. 100.55 (1) (d) 3. of the statutes is amended to read:

100.55 **(1)** (d) 3. A mortgage banker~~, loan originator,~~ or mortgage broker ~~registered~~ licensed under s. 224.72 or a mortgage loan originator licensed under s. 224.725.

SECTION 556. 146.99 of the statutes is repealed.

SECTION 557. 149.10 (3m) (intro.) of the statutes is amended to read:

149.10 **(3m)** (intro.) "Health care coverage revenue" means any of the following, but does not include payments to health maintenance organizations under s. 49.45 (59) (a):

SECTION 558. 165.25 (4) (ar) of the statutes is amended to read:

165.25 **(4)** (ar) The department of justice shall furnish all legal services required by the department of agriculture, trade and consumer protection relating to the enforcement of ss. 100.171, 100.173, 100.174, 100.175, 100.177, 100.18, 100.182, 100.195, 100.20, 100.205, 100.207, 100.209, 100.21, 100.28, 100.37, 100.42, 100.50, ~~and~~ 100.51, ~~and~~ 100.55, and 846.45 and chs. 126, 136, 344, 704, 707, and 779, together with any other services as are necessarily connected to the legal services.

SECTION 559. 218.0171 (2) (cq) of the statutes is amended to read:

218.0171 **(2)** (cq) Upon payment of a refund to a consumer under par. (b) 2. b., the manufacturer shall provide to the consumer a written statement that specifies the trade-in amount previously applied under s. 77.51 ~~(4) (b) 3. or 3m. or (15) (b) 4. or 4m.~~ (12m) (b) 5. or 6. or (15b) (b) 5. or 6. toward the sales price of the motor vehicle having the nonconformity and the date on which the manufacturer provided the refund.

SECTION 560. 220.02 (2) (g) of the statutes is amended to read:

220.02 **(2)** (g) Mortgage bankers, mortgage loan originators, and mortgage brokers under subch. III of ch. 224.

SECTION 561. 220.02 (3) of the statutes is amended to read:

220.02 **(3)** It is the intent of sub. (2) to give the division jurisdiction to enforce and carry out all laws relating to banks or banking in this state, including those relating to state banks, savings banks, savings and loan associations, and trust company banks, and also all laws relating to small loan companies or other loan companies or agencies, finance companies, insurance premium finance companies, motor vehicle dealers, adjustment service companies, community currency exchanges, mortgage bankers, mortgage loan originators, mortgage brokers, and collection agencies and those relating to sellers of checks under ch. 217, whether

doing business as corporations, individuals, or otherwise, but to exclude laws relating to credit unions.

SECTION 562. 220.06 (1) of the statutes is amended to read:

220.06 **(1)** In this section, "licensee" means a person licensed by the division under ch. 138, 217 or 218 or under s. 224.72, 224.725, or 224.92 ~~or registered by the division under s. 224.72~~.

SECTION 563. 220.285 (1) of the statutes is amended to read:

220.285 **(1)** Any state bank, trust company bank, licensee under ss. 138.09, 138.12, 218.0101 to 218.0163, 218.02, 218.04 ~~or~~, 218.05, 224.72, or 224.725 or ch. 217, ~~or person registered under s. 224.72~~ may cause any or all records kept by such bank, licensee, or registered person to be recorded, copied or reproduced by any photostatic, photographic or miniature photographic process or by optical imaging if the process employed correctly, accurately and permanently copies, reproduces or forms a medium for copying, reproducing or recording the original record on a film or other durable material. A bank, licensee, or registered person may thereafter dispose of the original record after first obtaining the written consent of the division. This section, excepting that part of it which requires written consent of the division, is applicable to national banking associations insofar as it does not contravene federal law.

SECTION 564. 221.0402 (2) (b) of the statutes is amended to read:

221.0402 **(2)** (b) Mortgage bankers ~~registered~~ licensed under s. 224.72 may use the designation "mortgage banker".

SECTION 565. 224.71 (1ag) of the statutes is repealed.

SECTION 566. 224.71 (1b) of the statutes is repealed.

SECTION 567. 224.71 (1bm) of the statutes is created to read:

224.71 **(1bm)** "Another state" means any state of the United States other than Wisconsin; the District of Columbia; any territory of the United States; Puerto Rico; Guam; American Samoa; the Trust Territory of the Pacific Islands; the Virgin Islands; or the Northern Mariana Islands.

SECTION 568. 224.71 (1c) of the statutes is created to read:

224.71 **(1c)** "Branch office" means an office or place of business, other than the principal office, located in this state or another state, where a mortgage banker or mortgage broker conducts business with residents of this state.

SECTION 569. 224.71 (1d) of the statutes is repealed.

SECTION 570. 224.71 (1dm) of the statutes is created to read:

224.71 **(1dm)** "Depository institution" has the meaning given in 12 USC 1813 (c) (1), but also includes any state or federal credit union.

SECTION 571. 224.71 (1f) of the statutes is created to read:

224.71 **(1f)** "Dwelling" has the meaning given in 15 USC 1602 (v).

SECTION 572. 224.71 (1g) of the statutes is renumbered 224.71 (14) and amended to read:

224.71 **(14)** "~~Loan~~ Residential mortgage loan" means ~~a~~ any loan primarily for personal, family, or household ~~purposes~~ use that is secured by a lien or mortgage, or equivalent security interest, on a dwelling or residential real property located in this state. ~~For purposes of this subsection, a loan secured by real property consisting of 1 to 4 dwelling units, including individual condominium units, is a loan for household purposes, but a loan made by a landlord to a tenant as described in sub. (3) (b) 4. is not a loan for household purposes.~~

SECTION 573. 224.71 (1h) of the statutes is created to read:

224.71 **(1h)** "Federal banking agency" means the board of governors of the federal reserve system, the U.S. office of the comptroller of the currency, the U.S. office of thrift supervision, the national credit union administration, or the federal deposit insurance corporation.

SECTION 574. 224.71 (1m) of the statutes is created to read:

224.71 **(1m)** "Finds," with respect to a residential mortgage loan, means to assist a residential mortgage loan applicant in locating a lender for the purpose of obtaining a residential mortgage loan and to make arrangements for a residential mortgage loan applicant to obtain a residential mortgage loan, including collecting information on behalf of an applicant and preparing a loan package.

SECTION 575. 224.71 (1r) of the statutes is renumbered 224.71 (6) (a) (intro.) and amended to read:

224.71 **(6)** (a) (intro.) "~~Loan~~ Mortgage loan originator" means ~~a person who, on behalf of a mortgage banker or mortgage broker, finds a loan or negotiates a land contract, loan or commitment for a loan.~~ an individual who is not excluded by par. (b) and who, for compensation or gain or in the expectation of compensation or gain, does any of the following:

SECTION 576. 224.71 (1u) of the statutes is repealed.

SECTION 577. 224.71 (2) of the statutes is created to read:

224.71 **(2)** "Loan processor or underwriter" means an individual who, as an employee, performs clerical or support duties at the direction of and subject to the supervision and instruction of a mortgage loan originator licensed under s. 224.725 or exempt from licensing under s. 224.726 (1), which clerical or support duties may include any of the following occurring subsequent to the receipt of a residential mortgage loan application:

(a) The receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan.

(b) Communicating with a residential mortgage loan applicant to obtain the information necessary for the processing or underwriting of a residential mortgage loan, to the extent that the communication does not include offering or negotiating loan rates or terms or providing counseling related to loan rates or terms.

SECTION 578. 224.71 (3) (a) 1. to 3. of the statutes are amended to read:

224.71 **(3)** (a) 1. Originates residential mortgage loans for itself, as payee on the note evidencing the residential mortgage loan, or for another person.

2. Sells residential mortgage loans or interests in residential mortgage loans to another person.

3. Services residential mortgage loans ~~or land contracts~~ or provides escrow services.

SECTION 579. 224.71 (3) (b) 1. to 7. of the statutes are repealed.

SECTION 580. 224.71 (3) (b) 8., 9., 10., 11. and 12. of the statutes are created to read:

224.71 **(3)** (b) 8. A depository institution.

9. A subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency.

10. An institution regulated by the farm credit administration.

11. A person that only performs real estate brokerage activities and is licensed under s. 452.03, unless the person is compensated by a lender, mortgage broker, or mortgage loan originator or by any agent of a lender, mortgage broker, or mortgage loan originator.

12. A person solely involved in extensions of credit relating to time-share plans, as defined in 11 USC 101 (53D).

SECTION 581. 224.71 (4) (a) of the statutes is amended to read:

224.71 **(4)** (a) "Mortgage broker" means a person who is not excluded by par. (b) and who, on behalf of a residential mortgage loan applicant or an investor and for commission, money, or other thing of value, finds a residential mortgage loan or negotiates a ~~land contract,~~ residential mortgage loan or commitment for a residential mortgage loan or engages in table funding.

SECTION 582. 224.71 (4) (b) 1. to 3. of the statutes are repealed.

SECTION 583. 224.71 (4) (b) 4., 5., 6., 7. and 8. of the statutes are created to read:

224.71 **(4)** (b) 4. A depository institution.

5. A subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency.

6. An institution regulated by the farm credit administration.

7. A person that performs real estate brokerage activities only and is licensed under s. 452.03, unless the person is compensated by a lender, mortgage broker, or mortgage loan originator or by any agent of a lender, mortgage broker, or mortgage loan originator.

8. A person solely involved in extensions of credit relating to time-share plans, as defined in 11 USC 101 (53D).

SECTION 584. 224.71 (5) of the statutes is renumbered 224.71 (17) and amended to read:

224.71 **(17)** "Table funding" means a transaction in which a person conducts a residential mortgage loan closing in the person's name with funds provided by a 3rd

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