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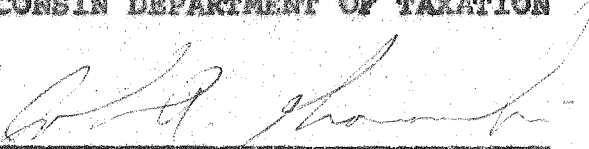
TAX 2

**ORDER OF THE  
WISCONSIN DEPARTMENT OF TAXATION  
ADOPTING RULE**

Pursuant to the authority vested in the Wisconsin Department of Taxation by Section 71.11(24) of the statutes, the said Department hereby adopts Rule TAX 2.90 as shown in the attached memorandum.

Dated this 4 day of December, 1962.

**WISCONSIN DEPARTMENT OF TAXATION**

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**John A. Gronouski**  
Commissioner of Taxation

STATE OF WISCONSIN )  
                          ) SS  
COUNTY OF DANE      )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, John A. Gronouski, Commissioner of Taxation and custodian of the official records of the Wisconsin Department of Taxation do hereby certify that the annexed Rule TAX 2.90 has been approved by me and has been compared by me with the original on file in the Department and is a true and correct copy of such original.

IN TESTIMONY WHEREOF, I have  
hereunto set my hand at the State  
Office Building in the City of  
Madison this 6 day of December,  
A. D., 1962.

  
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John A. Gronouski  
Commissioner of Taxation

**TAX 2.90 WITHHOLDING: WAGES. (Section 71.19)**

(1) The term 'wages' means all remuneration for services performed by an employe for his employer unless specifically excepted under s. 71.19.

(2) The name by which remuneration for services is designated is immaterial. Thus, salaries, fees, bonuses, commissions on sales, commissions on insurance premiums, pensions and retired pay are wages within the meaning of the statute if paid as compensation for services performed by the employe for his employer.

(3) The basis upon which the remuneration is paid is immaterial in determining whether the remuneration constitutes wages. Thus it may be paid on the basis of piecework, or a percentage of the profits, and may be paid hourly, daily, weekly, monthly or annually.

(4) Generally the medium in which the remuneration is paid is also immaterial. It may be paid in cash or in something other than cash, as, for example, stocks, bonds or other forms of property. (See however Section 71.19(1)(i) relating to the exclusion from wages of remuneration paid in any medium other than cash for services not in the course of the employer's trade or business). If services are paid for in a medium other than cash, the fair market value of the thing taken in payment is the amount to be included as wages. If the services were rendered at a stipulated price, in the absence of evidence to the contrary, such price will be presumed to be the fair value of the remuneration received. If a corporation transfers to its employes its

own stock as remuneration for services rendered by the employe, the amount of such remuneration is the fair market value of the stock at the time of the transfer.

(5) Remuneration for services, unless such remuneration is specifically excepted by the statute, constitutes wages even though at the time paid the relationship of employer and employe no longer exists between the person in whose employ the services were performed and the individual who performed them.

(6) In general, pensions and retired pay are wages subject to withholding. So called pensions awarded by one to whom no services have been rendered are mere gifts or gratuities and do not constitute wages.

(7) Amounts paid specifically - either as advances or reimbursements - for traveling or other bona fide ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer are not wages and are not subject to withholding. Traveling and other reimbursed expenses must be identified either by making a separate payment or by specifically indicating the separate amounts where both wages and expense allowances are combined in a single payment.

(8) Amounts of so-called 'vacation allowances' paid to an employe constitutes wages. Thus the salary of an employe on vacation, paid notwithstanding his absence from work, constitutes wages.

(9) Any payments made by an employer to an employe on account of dismissal, that is, involuntary separation from the

service of the employer, constitutes wages regardless of whether the employer is legally bound by contract, statute or otherwise to make such payments.

(10) Any amount deducted by an employer from the remuneration of an employe is considered to be a part of the employe's remuneration and is considered to be paid to the employe as remuneration at the time the deduction is made. It is immaterial that any act or law requires or permits such deductions.

(11) The term 'wages' includes the amount paid by an employer on behalf of an employe, without deduction from the remuneration of or other reimbursement from the employe, on account of any tax imposed upon the employe by any taxing authority.

(12) The value of any meals or lodging furnished to an employe by his employer is subject to withholding on the fair market value thereof.

(13) Ordinarily, facilities or privileges (such as entertainment, medical services, or so-called 'courtesy' discounts on purchases) furnished or offered by an employer to his employes generally, are not considered as wages subject to withholding, if such facilities or privileges are of relatively small value and are offered or furnished by the employer merely as a means of promoting the health, good will, contentment or efficiency of his employes.

(14) Tips or gratuities paid directly to an employe by a customer of an employer, and not accounted for by the employe to the employer, are not subject to withholding.