

1           **SECTION 69.** 77.53 (1) of the statutes is amended to read:

2           77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed  
3 on the use or consumption in this state of coins, stamps, leased property, and taxable  
4 services under s. 77.52 purchased from any retailer, at the rate of 5% of the sales  
5 purchase price of these such coins, stamps, leased property, and services; on the  
6 storage, use or other consumption in this state of tangible personal property  
7 purchased from any retailer, at the rate of 5% of the sales purchase price of that  
8 property; and on the storage, use or other consumption of tangible personal property  
9 manufactured, processed or otherwise altered, in or outside this state, by the person  
10 who stores, uses or consumes it, from material purchased from any retailer, at the  
11 rate of 5% of the sales purchase price of that material.

12           **SECTION 70.** 77.53 (3) of the statutes is amended to read:

13           77.53 (3) Every retailer engaged in business in this state and making sales of  
14 tangible personal property or taxable services ~~for delivery into~~ in this state or with  
15 knowledge directly or indirectly that the property or service is intended for storage,  
16 use or other consumption in this state, shall, at the time of making the sales or, if the  
17 storage, use or other consumption of the tangible personal property or taxable service  
18 is not then taxable under this section, at the time the storage, use or other  
19 consumption becomes taxable, collect the tax from the purchaser and give to the  
20 purchaser a receipt in the manner and form prescribed by the department.

21           **SECTION 71.** 77.53 (4) of the statutes is repealed.

22           **SECTION 72.** 77.53 (9) of the statutes is amended to read:

23           77.53 (9) Every retailer selling tangible personal property or taxable services  
24 for storage, use or other consumption in this state shall register with the department  
25 and obtain a certificate under s. 73.03 (50) and give the name and address of all

1 agents operating in this state, the location of all distribution or sales houses or offices  
2 or other places of business in this state, the standard industrial code classification  
3 of each place of business in this state and the other information that the department  
4 requires. Any person who may register under this subsection may designate an  
5 agent, as defined in s. 77.524 (1) (ag), to register with the department under this  
6 subsection, in the manner prescribed by the department.

7 **SECTION 73.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a).

8 **SECTION 74.** 77.53 (9m) (b) of the statutes is created to read:

9 77.53 (9m) (b) Any person who may register under par. (a) may designate an  
10 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),  
11 in the manner prescribed by the department.

12 **SECTION 75.** 77.53 (9m) (c) of the statutes is created to read:

13 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise  
14 required to collect any tax imposed by this subchapter shall not be used as a factor  
15 in determining whether the seller has nexus with this state for any tax at any time.

16 **SECTION 76.** 77.53 (10) of the statutes is amended to read:

17 77.53 (10) For the purpose of the proper administration of this section and to  
18 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that  
19 tangible personal property or taxable services sold by any person for delivery in this  
20 state is sold for storage, use, or other consumption in this state until the contrary is  
21 established. The burden of proving the contrary is upon the person who makes the  
22 sale unless that person takes from the purchaser ~~a~~ an electronic or paper certificate,  
23 as prescribed by department, to the effect that the property or taxable service is  
24 purchased for resale, or otherwise exempt from the tax, except that no certificate is  
25 required for sales of cattle, sheep, goats, and pigs that are sold at a livestock market,

*in a form*

1 as defined in s. 95.68 (1) (e), and no certificate is required for sales of commodities,  
 2 as defined in 7 USC 2, that are consigned for sale in a warehouse in or from which  
 3 the commodity is deliverable on a contract for future delivery subject to the rules of  
 4 a commodity market regulated by the U.S. commodity futures trading commission  
 5 if upon the sale the commodity is not removed from the warehouse the sale of tangible  
 6 personal property that is exempt under s. 77.54 (7), <sup>(8), (10),</sup> (11), (14), <sup>(142),</sup> (15), (17), (20n), (21),  
 7 (22b), (30), <sup>(32),</sup> (32), <sup>(35), (36), (37),</sup> (42), ~~and~~ <sup>(45), and (46),</sup> (44), except as provided in s. 77.54 (30) (e). This subsection  
 8 does not apply to candy, soft drinks, and prepared food; or to disposable products that  
 9 are transferred with candy, soft drinks, and prepared food; that a restaurant  
 10 provides to the restaurant's employees during the work hours of the employees.

SECTION 77. 77.53 (11) of the statutes is amended to read:

11  
 12 77.53 (11) The certificate referred to in sub. (10) relieves the person selling the  
 13 property or service from the burden of proof only if taken in good faith from a person  
 14 who is engaged as a seller of tangible personal property or taxable services and who  
 15 holds the permit provided for by s. 77.52 (9) and who, at the time of purchasing that  
 16 the person purchases the tangible personal property or taxable service, intends to  
 17 sell it in the regular course of operations or is unable to ascertain at the time of  
 18 purchase whether the property or service will be sold or will be used for some other  
 19 purpose, or if taken in good faith from a person claiming exemption. The certificate  
 20 under sub. (10) shall not relieve the seller of the burden of proof if the seller  
 21 fraudulently fails to collect sales tax or solicit the purchaser to claim an unlawful  
 22 exemption. The certificate shall be signed by and bear the name and address of  
 23 provide information that identifies the purchaser and shall indicate the number of  
 24 the permit issued to the purchaser, the general character of tangible personal  
 25 property or taxable service sold by the purchaser and the basis for the claimed

1 exemption and a paper certificate shall be signed by the purchaser. The certificate  
2 shall be substantially in the form that the department prescribes.

3 **SECTION 78.** 77.53 (16) of the statutes is amended to read:

4 77.53 (16) If the purchase, rental or lease of tangible personal property or  
5 service subject to the tax imposed by this section was subject to a sales tax by another  
6 state in which the purchase was made, the amount of sales tax paid the other state  
7 shall be applied as a credit against and deducted from the tax, to the extent thereof,  
8 imposed by this section, except no credit may be applied against and deducted from  
9 a sales tax paid on the purchase of direct mail, if the direct mail purchaser did not  
10 provide to the seller a direct pay permit, a direct mail form, or other information that  
11 indicates the appropriate taxing jurisdiction to which the direct mail is delivered to  
12 the ultimate recipients. In this subsection “sales tax” includes a use or excise tax  
13 imposed on the use of tangible personal property or taxable service by the state in  
14 which the sale occurred and “state” includes the District of Columbia but does not  
15 include the commonwealth of Puerto Rico or the several territories organized by  
16 congress.

17 **SECTION 79.** 77.53 (17) of the statutes is amended to read:

18 77.53 (17) This section does not apply to tangible personal property purchased  
19 outside this state, as determined under s. 77.522, other than motor vehicles, boats,  
20 snowmobiles, mobile homes not exceeding 45 feet in length, trailers, semitrailers,  
21 all-terrain vehicles and airplanes registered or titled or required to be registered or  
22 titled in this state, which is brought into this state by a nondomiciliary for the  
23 person’s own storage, use or other consumption while temporarily within this state  
24 when such property is not stored, used or otherwise consumed in this state in the

1 conduct of a trade, occupation, business or profession or in the performance of  
2 personal services for wages or fees.

3 **SECTION 80.** 77.53 (17m) of the statutes is amended to read:

4 **77.53 (17m)** This section does not apply to a boat purchased in a state  
5 contiguous to this state, as determined under s. 77.522, by a person domiciled in that  
6 state if the boat is berthed in this state's boundary waters adjacent to the state of the  
7 domicile of the purchaser and if the transaction was an exempt occasional sale under  
8 the laws of the state in which the purchase was made.

9 **SECTION 81.** 77.53 (17r) (a) of the statutes is amended to read:

10 **77.53 (17r) (a)** It is purchased in another state, as determined under s. 77.522.

11 **SECTION 82.** 77.53 (18) of the statutes is amended to read:

12 **77.53 (18)** This section does not apply to the storage, use or other consumption  
13 in this state of household goods for personal use or to aircraft, motor vehicles, boats,  
14 snowmobiles, mobile homes, trailers, semitrailers and all-terrain vehicles, for  
15 personal use, purchased by a nondomiciliary of this state outside this state, as  
16 determined under s. 77.522, 90 days or more before bringing the goods or property  
17 into this state in connection with a change of domicile to this state.

18 **SECTION 83.** 77.54 (1) of the statutes is amended to read:

19 **77.54 (1)** The ~~gross receipts~~ sales price from the sale of and the storage, use or  
20 other consumption in this state of tangible personal property and services the ~~gross~~  
21 ~~receipts~~ sales price from the sale of which, or the storage, use or other consumption  
22 of which, this state is prohibited from taxing under the constitution or laws of the  
23 United States or under the constitution of this state.

24 **SECTION 84.** 77.54 (2) of the statutes is amended to read:

1           77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or  
2 other consumption of tangible personal property becoming an ingredient or  
3 component part of an article of tangible personal property or which is consumed or  
4 destroyed or loses its identity in the manufacture of tangible personal property in  
5 any form destined for sale, but this exemption shall not include fuel or electricity.

6           **SECTION 85.** 77.54 (2m) of the statutes is amended to read:

7           77.54 (2m) The ~~gross receipts~~ sales price from the sales of and the storage, use  
8 or other consumption of tangible personal property or services that become an  
9 ingredient or component of shoppers guides, newspapers or periodicals or that are  
10 consumed or lose their identity in the manufacture of shoppers guides, newspapers  
11 or periodicals, whether or not the shoppers guides, newspapers or periodicals are  
12 transferred without charge to the recipient. In this subsection, “shoppers guides”,  
13 “newspapers” and “periodicals” have the meanings under sub. (15). The exemption  
14 under this subdivision does not apply to advertising supplements that are not  
15 newspapers.

16           **SECTION 86.** 77.54 (3) (a) of the statutes is amended to read:

17           77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use  
18 or other consumption of tractors and machines, including accessories, attachments  
19 and parts therefor, used exclusively and directly in the business of farming, including  
20 dairy farming, agriculture, horticulture, floriculture and custom farming services,  
21 but excluding automobiles, trucks, and other motor vehicles for highway use;  
22 excluding personal property that is attached to, fastened to, connected to or built into  
23 real property or that becomes an addition to, component of or capital improvement  
24 of real property and excluding tangible personal property used or consumed in the  
25 erection of buildings or in the alteration, repair or improvement of real property,

1 regardless of any contribution that that the personal property makes to the  
2 production process in that building or real property and regardless of the extent to  
3 which that personal property functions as a machine.

4 **SECTION 87.** 77.54 (3m) (intro.) of the statutes is amended to read:

5 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the  
6 storage, use or other consumption of the following items if they are used exclusively  
7 by the purchaser or user in the business of farming; including dairy farming,  
8 agriculture, horticulture, floriculture and custom farming services:

9 **SECTION 88.** 77.54 (4) of the statutes is amended to read:

10 77.54 (4) ~~Gross receipts~~ The sales price from the sale of tangible personal  
11 property, and the storage, use or other consumption in this state of tangible personal  
12 property which is the subject of any such sale, by any elementary school or secondary  
13 school, exempted as such from payment of income or franchise tax under ch. 71,  
14 whether public or private.

15 **SECTION 89.** 77.54 (5) (intro.) of the statutes is amended to read:

16 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
17 use or other consumption of:

18 **SECTION 90.** 77.54 (6) (intro.) of the statutes is amended to read:

19 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
20 use or other consumption of:

21 **SECTION 91.** 77.54 (8) of the statutes is amended to read:

22 77.54 (8) Charges for ~~interest, financing or~~ insurance where such charges are  
23 separately set forth upon the invoice given by the seller to the purchaser.

24 **SECTION 92.** 77.54 (9) of the statutes is amended to read:

1           77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to  
2 public and private elementary and secondary school activities, where the entire net  
3 proceeds therefrom are expended for educational, religious or charitable purposes.

4           **SECTION 93.** 77.54 (9a) (intro.) of the statutes is amended to read:

5           77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage  
6 by, use by or other consumption of tangible personal property and taxable services  
7 by:

8           **SECTION 94.** 77.54 (10) of the statutes is amended to read:

9           77.54 (10) The ~~gross receipts~~ sales price from the sale of all admission fees,  
10 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees  
11 to any museum operated by a nonprofit corporation under a lease agreement with  
12 the state historical society.

13           **SECTION 95.** 77.54 (11) of the statutes is amended to read:

14           77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use  
15 or other consumption in this state of motor vehicle fuel, general aviation fuel or  
16 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or  
17 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel  
18 in operating a motor vehicle upon the public highways.

19           **SECTION 96.** 77.54 (12) of the statutes is amended to read:

20           77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use  
21 or other consumption in this state of rail freight or passenger cars, locomotives or  
22 other rolling stock used in railroad operations, or accessories, attachments, parts,  
23 lubricants or fuel therefor.

24           **SECTION 97.** 77.54 (13) of the statutes is amended to read:

1           77.54 (13) The ~~gross receipts~~ sales price from the sales of and the storage, use  
2 or other consumption in this state of commercial vessels and barges of 50-ton burden  
3 or over primarily engaged in interstate or foreign commerce or commercial fishing,  
4 and the accessories, attachments, parts and fuel therefor.

5           **SECTION 98.** 77.54 (14) (intro.) of the statutes is amended to read: sales price

6           77.54 (14) (intro.) The ~~gross receipts~~ from the sales of and the storage, use, or  
7 other consumption in this state of ~~medicines~~ drugs that are any of the following:

8           **SECTION 99.** 77.54 (14) (a) of the statutes is amended to read:

9           77.54 (14) (a) Prescribed for the treatment of a human being by a person  
10 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by  
11 a registered pharmacist in accordance with law.

12           **SECTION 100.** 77.54 (14) (b) of the statutes is amended to read:

13           77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist  
14 to a patient who is a human being for treatment of the patient.

15           **SECTION 101.** 77.54 (14) (f) of the statutes is amended to read:

16           77.54 (14) (f) Furnished without charge to a physician, surgeon, nurse  
17 anesthetist, advanced practice nurse, osteopath, dentist who is licensed under ch.  
18 447, podiatrist who is licensed under ch. 448, or optometrist who is licensed under  
19 ch. 449 if the ~~medicaine~~ drug may not be dispensed without a prescription.

20           **SECTION 102.** 77.54 (14b) of the statutes is created to read:

21           77.54 (14b) The sales price from the sales of and the storage, use, or other  
22 consumption of bandages, dressings, syringes, and similar items that are bundled  
23 together with drugs that are exempt under sub. (14) for sale by the seller as a single  
24 product or piece of merchandise.

25           **SECTION 103.** 77.54 (14g) of the statutes is repealed.

1           **SECTION 104.** 77.54 (14s) of the statutes is repealed.

2           **SECTION 105.** 77.54 (15) of the statutes is amended to read:

3           77.54 (15) The ~~gross receipts~~ sales price from the sale of and the storage, use  
4 or other consumption of all newspapers, of periodicals sold by subscription and  
5 regularly issued at average intervals not exceeding 3 months, or issued at average  
6 intervals not exceeding 6 months by an educational association or corporation sales  
7 to which are exempt under sub. (9a) (f), of controlled circulation publications sold to  
8 commercial publishers for distribution without charge or mainly without charge or  
9 regularly distributed by or on behalf of publishers without charge or mainly without  
10 charge to the recipient and of shoppers guides which distribute no less than 48 issues  
11 in a 12-month period. In this subsection, “shoppers guide” means a community  
12 publication delivered, or attempted to be delivered, to most of the households in its  
13 coverage area without a required subscription fee, which advertises a broad range  
14 of products and services offered by several types of businesses and individuals. In  
15 this subsection, “controlled circulation publication” means a publication that has at  
16 least 24 pages, is issued at regular intervals not exceeding 3 months, that devotes  
17 not more than 75% of its pages to advertising and that is not conducted as an  
18 auxiliary to, and essentially for the advancement of, the main business or calling of  
19 the person that owns and controls it.

20           **SECTION 106.** 77.54 (16) of the statutes is amended to read:

21           77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use  
22 or other consumption of fire trucks and fire fighting equipment, including  
23 accessories, attachments, parts and supplies therefor, sold to volunteer fire  
24 departments.

25           **SECTION 107.** 77.54 (17) of the statutes is amended to read:

*, that is not food and food ingredient,*

1           77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use  
2 or other consumption of water when delivered through mains.

3           **SECTION 108.** 77.54 (18) of the statutes is amended to read:

4           77.54 (18) When the sale, lease or rental of a service or property that was  
5 previously exempt or not taxable under this subchapter becomes taxable, and the  
6 service or property is furnished under a written contract by which the seller is  
7 unconditionally obligated to provide the service or property for the amount fixed  
8 under the contract, the seller is exempt from sales or use tax on the ~~gross receipts~~  
9 sales price for services or property provided until the contract is terminated,  
10 extended, renewed or modified. However, from the time the service or property  
11 becomes taxable until the contract is terminated, extended, renewed or modified the  
12 user is subject to use tax, measured by the sales purchase price, on the service or  
13 property purchased under the contract.

14           **SECTION 109.** 77.54 (20) of the statutes is repealed.

15           **SECTION 110.** 77.54 (20m) of the statutes is repealed.

16           **SECTION 111.** 77.54 (20n) of the statutes is created to read:

17           77.54 (20n) (a) The sales price from the sale of and the storage, use, or other  
18 consumption of food and food ingredients, except candy, soft drinks, dietary  
19 supplements, and prepared food.

20           (b) The sales price from the sale of and the storage, use, or other consumption  
21 of food and food ingredients, except soft drinks, sold by hospitals, sanatoriums,  
22 nursing homes, retirement homes, community-based residential facilities, as  
23 defined in s. 50.01 (1g), or day care centers registered under ch. 48, including  
24 prepared food that is sold to the elderly or handicapped by persons providing mobile  
25 meals on wheels. In this paragraph, "retirement home" means a nonprofit

1 residential facility where 3 or more unrelated adults or their spouses have their  
2 principal residence and where support services, including meals from a common  
3 kitchen, are available to residents.

*any of the following:*

4 (c) The sales price from the sale of and the storage, use, or other consumption  
5 of food and food ingredients, furnished in accordance with any contract or agreement  
6 or paid for to such institution through the use of an account of such institution, by  
7 a public or private institution of higher education to ~~an~~ undergraduate student, a  
8 graduate student, or a student enrolled in a professional school, if the student is  
9 enrolled for credit at ~~that~~ institution <sup>of higher education</sup> and if the food and food ingredients are  
10 consumed by ~~that~~ <sup>the</sup> student. *the public or private*

*9/1. An*

11 ~~The sales price from the sale of and the storage, use, or other consumption~~  
12 ~~of food and food ingredients furnished to a national football league team under a~~  
13 ~~contract or agreement.~~

*2.*

*A.*

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14 SECTION 112. 77.54 (21) of the statutes is amended to read:

15 77.54 (21) The gross receipts sales price from the sales of and the storage, use  
16 or other consumption of caskets and burial vaults for human remains.

17 SECTION 113. 77.54 (22) of the statutes is repealed.

18 SECTION 114. 77.54 (22b) of the statutes is created to read:

19 77.54 (22b) The sales price from the sale of and the storage, use, or other  
20 consumption of durable medical equipment, mobility-enhancing equipment, and  
21 prosthetic devices.

22 SECTION 115. 77.54 (23m) of the statutes is amended to read:

23 77.54 (23m) The gross receipts sales price from the sale, lease or rental of or  
24 the storage, use or other consumption of motion picture film or tape, and advertising

1 materials related thereto, sold, leased or rented to a motion picture theater or radio  
2 or television station.

3 **SECTION 116.** 77.54 (25) of the statutes is amended to read:

4 77.54 (25) The ~~gross receipts~~ sales price from the sale of and the storage of  
5 printed material which is designed to advertise and promote the sale of merchandise,  
6 or to advertise the services of individual business firms, which printed material is  
7 purchased and stored for the purpose of subsequently transporting it outside the  
8 state by the purchaser for use thereafter solely outside the state.

9 **SECTION 117.** 77.54 (26) of the statutes is amended to read:

10 77.54 (26) The ~~gross receipts~~ sales price from the sales of and the storage, use,  
11 or other consumption of tangible personal property which becomes a component part  
12 of an industrial waste treatment facility that is exempt under s. 70.11 (21) (a) or that  
13 would be exempt under s. 70.11 (21) (a) if the property were taxable under ch. 70, or  
14 tangible personal property which becomes a component part of a waste treatment  
15 facility of this state or any agency thereof, or any political subdivision of the state or  
16 agency thereof as provided in s. 40.02 (28). The exemption includes replacement  
17 parts therefor, and also applies to chemicals and supplies used or consumed in  
18 operating a waste treatment facility and to purchases of tangible personal property  
19 made by construction contractors who transfer such property to their customers in  
20 fulfillment of a real property construction activity. This exemption does not apply  
21 to tangible personal property installed in fulfillment of a written construction  
22 contract entered into, or a formal written bid made, prior to July 31, 1975.

23 **SECTION 118.** 77.54 (26m) of the statutes is amended to read:

24 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use  
25 or other consumption of waste reduction or recycling machinery and equipment,

1 including parts therefor, exclusively and directly used for waste reduction or  
2 recycling activities which reduce the amount of solid waste generated, reuse solid  
3 waste, recycle solid waste, compost solid waste or recover energy from solid waste.  
4 The exemption applies even though an economically useful end product results from  
5 the use of the machinery and equipment. For the purposes of this subsection, “solid  
6 waste” means garbage, refuse, sludge or other materials or articles, whether these  
7 materials or articles are discarded or purchased, including solid, semisolid, liquid or  
8 contained gaseous materials or articles resulting from industrial, commercial,  
9 mining or agricultural operations or from domestic use or from public service  
10 activities.

11 **SECTION 119.** 77.54 (27) of the statutes is amended to read:

12 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for  
13 artificial insemination of livestock.

14 **SECTION 120.** 77.54 (28) of the statutes is repealed.

15 **SECTION 121.** 77.54 (29) of the statutes is amended to read:

16 77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use  
17 or other consumption of equipment used in the production of maple syrup.

18 **SECTION 122.** 77.54 (30) (a) (intro.) of the statutes is amended to read:

19 77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

20 **SECTION 123.** 77.54 (30) (c) of the statutes is amended to read:

21 77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this  
22 subsection and partly for a use which is not exempt under this subsection, no tax  
23 shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the  
24 percentage of the fuel or electricity which is used for an exempt use, as specified in  
25 an exemption certificate provided by the purchaser to the seller.

1           **SECTION 124.** 77.54 (31) of the statutes is amended to read:

2           77.54 (31) The ~~gross receipts~~ sales price from the sale of and the storage, use  
3 or other consumption in this state, but not the lease or rental, of used mobile homes  
4 that are primary housing units under s. 340.01 (29).

5           **SECTION 125.** 77.54 (32) of the statutes is amended to read:

6           77.54 (32) The ~~gross receipts~~ sales price from charges, including charges for a  
7 search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record  
8 that a person may examine and use under s. 16.61 (12) or for copies of a record under  
9 s. 19.35 (1).

10          **SECTION 126.** 77.54 (33) of the statutes is amended to read:

11          77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or  
12 other consumption of ~~medicines~~ drugs used on farm livestock, not including  
13 workstock.

14          **SECTION 127.** 77.54 (34) of the statutes is amended to read:

15          77.54 (34) The ~~gross receipts~~ sales price from the sale of and the storage, use  
16 or other consumption of milk house supplies used exclusively in producing and  
17 handling milk on dairy farms.

18          **SECTION 128.** 77.54 (35) of the statutes is amended to read:

19          77.54 (35) The ~~gross receipts~~ sales price from the sales of tangible personal  
20 property, tickets or admissions by any baseball team affiliated with the Wisconsin  
21 Department of American Legion baseball.

22          **SECTION 129.** 77.54 (36) of the statutes is amended to read:

23          77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period  
24 of one month or more of a mobile home, as defined in s. 66.0435 (1) (d), that is used  
25 as a residence. In this subsection, “one month” means a calendar month or 30 days,

1       whichever is less, counting the first day of the rental and not counting the last day  
2       of the rental.

3               **SECTION 130.** 77.54 (37) of the statutes is amended to read:

4               77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.  
5       146.70 (3).

6               **SECTION 131.** 77.54 (38) of the statutes is amended to read:

7               77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use  
8       or other consumption of snowmobile trail groomers and attachments for them that  
9       are purchased, stored, used or consumed by a snowmobile club that meets at least  
10       3 times a year, that has at least 10 members, that promotes snowmobiling and that  
11       participates in the department of natural resources' snowmobile program under s.  
12       350.12 (4) (b).

13               **SECTION 132.** 77.54 (39) of the statutes is amended to read:

14               77.54 (39) The ~~gross receipts~~ sales price from the sale of and the storage, use  
15       or other consumption of off-highway, heavy mechanical equipment such as feller  
16       bunchers, slashers, delimiters, chippers, hydraulic loaders, loaders,  
17       skidder-forwarders, skidders, timber wagons and tractors used exclusively and  
18       directly in the harvesting or processing of raw timber products in the field by a person  
19       in the logging business. In this subsection, "heavy mechanical equipment" does not  
20       include hand tools such as axes, chains, chain saws and wedges.

21               **SECTION 133.** 77.54 (40) of the statutes is repealed.

22               **SECTION 134.** 77.54 (41) of the statutes is amended to read:

23               77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,  
24       supplies and equipment to; and the storage, use or other consumption of those kinds  
25       of property by; owners, contractors, subcontractors or builders if that property is

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

3 **SECTION 135.** 77.54 (42) of the statutes is amended to read:

4 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use  
5 or other consumption of animal identification tags provided under s. 93.06 (1h) and  
6 standard samples provided under s. 93.06 (1s).

7 **SECTION 136.** 77.54 (43) of the statutes is amended to read:

8 77.54 (43) The ~~gross receipts~~ sales price from the sale of and the storage, use  
9 or other consumption of raw materials used for the processing, fabricating or  
10 manufacturing of, or the attaching to or incorporating into, printed materials that  
11 are transported and used solely outside this state.

12 **SECTION 137.** 77.54 (44) of the statutes is amended to read:

13 77.54 (44) The ~~gross receipts~~ sales price from the collection of public benefits  
14 fees that are charged under s. 16.957 (4) (a) or (5) (a).

15 **SECTION 138.** 77.54 (45) of the statutes is amended to read:

16 77.54 (45) The ~~gross receipts~~ sales price from the sale of and the use or other  
17 consumption of a onetime license or similar right to purchase admission to  
18 professional football games at a football stadium, as defined in s. 229.821 (6), that  
19 is granted by a municipality; a local professional football stadium district; or a  
20 professional football team or related party, as defined in s. 229.821 (12); if the person  
21 who buys the license or right is entitled, at the time the license or right is transferred  
22 to the person, to purchase admission to at least 3 professional football games in this  
23 state during one football season.

24 **SECTION 139.** 77.54 (46) of the statutes is amended to read:

1           77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,  
2 or other consumption of the U.S. flag or the state flag. This subsection does not apply  
3 to a representation of the U.S. flag or the state flag.

4           **SECTION 140.** 77.54 (46m) of the statutes is amended to read:

5           77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,  
6 or other consumption of telecommunications services, if the telecommunications  
7 services are obtained by using the rights to purchase telecommunications services,  
8 including purchasing reauthorization numbers, by paying in advance and by using  
9 an access number and authorization code; and if the tax imposed under s. 77.52 or  
10 77.53 was previously paid on the sale or purchase of such rights.

11           **SECTION 141.** 77.55 (1) (intro.) of the statutes is amended to read:

12           77.55 (1) (intro.) There ~~are~~ is exempted from the computation of the amount  
13 of the sales tax the ~~gross receipts~~ sales price from the sale of any tangible personal  
14 property or services to:

15           **SECTION 142.** 77.55 (2) of the statutes is amended to read:

16           77.55 (2) There ~~are~~ is exempted from the computation of the amount of the sales  
17 tax the ~~gross receipts~~ sales price from sales of tangible personal property to a  
18 common or contract carrier, shipped by the seller via the purchasing carrier under  
19 a bill of lading whether the freight is paid in advance, or the shipment is made freight  
20 charges collect, to a point outside this state and the property is actually transported  
21 to the out-of-state destination for use by the carrier in the conduct of its business  
22 as a carrier.

23           **SECTION 143.** 77.55 (2m) of the statutes is amended to read:

24           77.55 (2m) There ~~are~~ is exempted from the computation of the amount of sales  
25 tax the ~~gross receipts~~ sales price from sales of railroad crossties to a common or

1 contract carrier, shipped wholly or in part by way of the purchasing carrier under a  
2 bill of lading, whether the freight is paid in advance or the shipment is made freight  
3 charges collect, to a point outside this state if the property is transported to the  
4 out-of-state destination for use by the carrier in the conduct of its business as a  
5 carrier. Interruption of the shipment for storage, drying, processing or creosoting of  
6 the railroad crossties in this state does not invalidate the exemption under this  
7 subsection.

8 **SECTION 144.** 77.55 (3) of the statutes is amended to read:

9 77.55 (3) There ~~are~~ is exempted from the computation of the amount of the sales  
10 tax the ~~gross receipts~~ sales price from sales of tangible personal property purchased  
11 for use solely outside this state and delivered to a forwarding agent, export packer,  
12 or other person engaged in the business of preparing goods for export or arranging  
13 for their exportation, and actually delivered to a port outside the continental limits  
14 of the United States prior to making any use thereof.

15 **SECTION 145.** 77.56 (1) of the statutes is amended to read:

16 77.56 (1) The storage, use or other consumption in this state of property, the  
17 ~~gross receipts~~ sales price from the sale of which ~~are~~ is reported to the department in  
18 the measure of the sales tax, is exempted from the use tax.

19 **SECTION 146.** 77.57 of the statutes is amended to read:

20 **77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller  
21 that the property purchased will be used in a manner or for a purpose entitling the  
22 seller to regard the gross receipts from the sale as exempted by this subchapter from  
23 the computation of the amount of the sales tax and uses the property in some other  
24 manner or for some other purpose, the purchaser is liable for payment of the sales  
25 tax. The tax shall be measured by the sales price of the property to the purchaser;

1 but if the taxable use first occurs more than 6 months after the sale to the purchaser,  
2 the purchaser may use as the measure of the tax either that sales price or the fair  
3 market value of the property at the time the taxable use first occurs. This subsection  
4 does not apply to candy, soft drinks, and prepared food; or to disposable products that  
5 are transferred with candy, soft drinks, and prepared food; that a restaurant  
6 provides to the restaurant's employees during the work hours of the employees.

7 **SECTION 147.** 77.58 (3) (b) of the statutes is amended to read:

8 77.58 (3) (b) ~~For purposes of the sales tax the return shall show the gross~~  
9 ~~receipts of the seller during the preceding reporting period. For purposes of the use~~  
10 ~~tax, in case of a return filed by a retailer, the return shall show the total sales price~~  
11 ~~of the property or taxable services sold, the storage, use or consumption of which~~  
12 ~~became subject to the use tax during the preceding reporting period. In case of a sales~~  
13 ~~or use tax return filed by a purchaser, the return shall show the total sales price of~~  
14 ~~the property and taxable services purchased, the storage, use or consumption of~~  
15 ~~which became subject to the use tax during the preceding reporting period. The~~  
16 ~~return shall also show the amount of the taxes for the period covered by the return~~  
17 ~~and such other information as the department deems necessary for the proper~~  
18 ~~administration of this subchapter.~~

19 **SECTION 148.** 77.58 (6) of the statutes is amended to read:

20 77.58 (6) For the purposes of the sales tax gross receipts, the sales price from  
21 rentals or leases of tangible personal property shall be reported and the tax paid in  
22 accordance with such rules as the department prescribes.

23 **SECTION 149.** 77.58 (6m) of the statutes is created to read:

1           77.58 (6m) The department may, in cases where it is satisfied that an undue  
2 hardship would otherwise result, permit the reporting of a sales price or purchase  
3 price on some basis other than the accrual basis.

4           **SECTION 150.** 77.58 (9a) of the statutes is created to read:

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

11           **SECTION 151.** 77.585 of the statutes is created to read:

12           **77.585 Return adjustments.** (1) <sup>(a)</sup> In this ~~section~~ <sup>subsection</sup>, "bad debt" means the  
13 portion of the sales price or purchase price that the seller has reported as taxable  
14 under this subchapter and that the seller may claim as a deduction under section 166  
15 of the Internal Revenue Code. "Bad debt" does not include financing charges or  
16 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible  
17 amounts on property that remains in the seller's possession until the full sales price  
18 or purchase price is paid, expenses incurred in attempting to collect any debt, debts  
19 sold or assigned to 3rd parties for collection, and repossessed property.

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

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

7 <sup>(c)</sup> For purposes of computing a bad debt deduction or reporting a payment  
8 received on a previously claimed bad debt, any payment made on a debt or on an  
9 account is applied first to the price of the property or service sold, and the  
10 proportionate share of the sales tax on that property or service, and then to interest,  
11 service charges, and other charges related to the sale.

12 <sup>(d)</sup> A seller may obtain a refund of the tax collected on any bad debt amount  
13 deducted under ~~s. 77.59 (4)~~ <sup>par. (b)</sup> that exceeds the amount of the seller's taxable sales as  
14 provided under s. 77.59 (4), except that the period for making a claim as determined  
15 under s. 77.59 (4) begins on the date on which the return on which the bad debt could  
16 be claimed would have been required to be submitted to the department under s.  
17 77.58.

18 <sup>(e)</sup> If a seller is using a certified service provider, the certified service provider  
19 may claim a bad debt deduction under this ~~subsection~~ <sup>subsection</sup> on the seller's behalf if the seller  
20 has not claimed and will not claim the same deduction. A certified service provider  
21 who receives a bad debt deduction under this ~~section~~ <sup>subsection</sup> shall credit that deduction to  
22 the seller and a certified service provider who receives a refund under this ~~section~~ <sup>subsection</sup>  
23 shall submit that refund to the seller.

24 <sup>(f)</sup> If a lessor of tangible personal property has reimbursed the vendor for the  
25 sales tax on the sale of the property by the vendor to the lessor, the tax due from the

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1 lessor on the rental receipts may be offset by a credit equal to the tax otherwise due  
2 on the rental receipts from the property for the reporting period. The credit shall  
3 expire when the cumulative rental receipts equal the sales price upon which the  
4 vendor paid sales taxes to this state.

5 <sup>3</sup>(7) If a purchaser of tangible personal property has reimbursed the vendor of  
6 the property for the sales tax on the sale and subsequently, before making any use  
7 of the property other than retention, demonstration, or display while holding it for  
8 sale or rental, makes a taxable sale of the property, the tax due on the taxable sale  
9 may be offset by the tax reimbursed.

10 <sup>4</sup>(8) A seller may claim a deduction on any part of the sales price or purchase  
11 price that the seller refunds in cash or credit as a result of returned property or  
12 adjustments in the sales price or purchase price after the sale has been completed,  
13 if the seller has included the refunded price in a prior return made by the seller and  
14 has paid the tax on such price, and if the seller has returned to the purchaser in cash  
15 or in credit all tax previously paid by the purchaser on the amount of the refund at  
16 the time of the purchase. A deduction under this ~~subsection~~ <sup>paragraph</sup> shall be claimed on the  
17 return for the period in which the refund is paid.

18 (9) The proceeds from the sale of property sold at auction which is bid on by the  
19 seller and on which title does not pass to a new purchaser shall be deducted from the  
20 gross proceeds of the sale and the tax paid only on the net proceeds.

21 SECTION 152. 77.59 (2m) of the statutes is created to read:

22 77.59 (2m) The department may audit, or may authorize others to audit, sellers  
23 and certified service providers who are registered with the department pursuant to  
24 the agreement, as defined in s. 77.65 (2) (a).

25 SECTION 153. 77.59 (9) of the statutes is amended to read:

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

15           **SECTION 154.** 77.59 (9n) of the statutes is created to read:

16           77.59 (9n) No seller or certified service provider is liable for any deficiency or  
17 refund under this subchapter that is the result of the seller or certified service  
18 provider relying on erroneous information contained in a database maintained  
19 under s. 73.03 (59) (e) or (f).

20           **SECTION 155.** 77.59 (9p) (b) of the statutes is created to read:

21           77.59 (9p) (b) If a customer purchases a service that is not subject to 4 USC 116  
22 to 126, as amended by P.L. 106-252, or tangible personal property, and if the  
23 customer believes that the amount of the tax assessed for the sale of the service or  
24 property under this subchapter is erroneous, the customer may request that the  
25 seller correct the alleged error by sending a written notice to the seller. The notice

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

14 **SECTION 156.** 77.59 (9r) of the statutes is created to read:

15 77.59 (9r) With regard to a purchaser's request for a refund under this section,  
16 a seller is presumed to have reasonable business practices if the seller uses a certified  
17 service provider, a certified automated system, as defined in s. 77.524 (1) (am), or a  
18 proprietary system certified by the department to collect the taxes imposed under  
19 this subchapter and if the seller has remitted to the department all taxes collected  
20 under this subchapter, less any deductions, credits, or allowances.

21 **SECTION 157.** 77.60 (13) of the statutes is created to read:

22 77.60 (13) A person who uses any of the following documents in a manner that  
23 is prohibited by or inconsistent with this subchapter, or provides incorrect  
24 information to a seller or certified service provider related to the use of such  
25 documents or regarding an exemption to the taxes imposed under this subchapter,

1 shall pay a penalty of \$250 for each invoice or bill of sale related to the prohibited or  
2 inconsistent use or incorrect information:

- 3 (a) An exemption certificate described under ~~s. 77.52 (13)~~ <sup>ss.</sup> and <sup>77.53(10)</sup>
- 4 (b) A direct pay permit under s. 77.52 (17m).
- 5 (c) A direct mail form, as defined in s. 77.522 (1) (a) 1.
- 6 (d) A multiple-points-of-use exemption form, as defined in s. 77.522 (1) (a) 2.

7 **SECTION 158.** 77.61 (1) (b) of the statutes is amended to read:

8 77.61 (1) (b) In the case of ~~a motor vehicle~~ motor vehicles, boats, snowmobiles,  
9 mobile homes not exceeding 45 feet in length, trailers, semitrailers, all-terrain  
10 vehicles, or aircraft purchased from a ~~licensed Wisconsin motor vehicle dealer~~  
11 ~~retailer~~, the registrant shall present proof that the tax has been paid to such ~~dealer~~  
12 retailer.

13 **SECTION 159.** 77.61 (1) (c) of the statutes is amended to read:

14 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, mobile homes  
15 not exceeding 45 feet in length, trailers, semitrailers, all-terrain vehicles or aircraft  
16 registered or titled, or required to be registered or titled, in this state purchased from  
17 persons who are not ~~Wisconsin boat, trailer or semitrailer dealers, licensed~~  
18 ~~Wisconsin aircraft, motor vehicle or mobile home dealers or registered Wisconsin~~  
19 ~~snowmobile or all-terrain vehicle dealers~~ retailers, the purchaser shall file a sales  
20 tax return and pay the tax prior to registering or titling the motor vehicle, boat,  
21 snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,  
22 all-terrain vehicle or aircraft in this state.

23 **SECTION 160.** 77.61 (3) of the statutes is repealed.

24 **SECTION 161.** 77.61 (3m) of the statutes is created to read:

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1           77.61 (3m) A retailer shall use a straight mathematical computation to  
2 determine the amount of the tax that the retailer may collect from the retailer's  
3 customers. The retailer shall calculate the tax amount by combining the applicable  
4 tax rates under this subchapter and subch. V and multiplying the combined tax rate  
5 by the sales price or purchase price of each item or invoice, as appropriate. The  
6 retailer shall calculate the tax amount to the 3rd decimal place, disregard tax  
7 amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less  
8 than 1 cent to be an additional cent. The use of a straight mathematical computation,  
9 as provided in this subsection, shall not relieve the retailer from liability for payment  
10 of the full amount of the tax levied under ~~ss. 77.51 to 77.62~~ *this subchapter*

11           **SECTION 162.** 77.61 (5m) of the statutes is created to read:

12           77.61 (5m) (a) In this subsection, "personally identifiable information" means  
13 any information that identifies a person.

14           (b) A certified service provider may use personally identifiable information as  
15 necessary only for the administration of its system to perform a seller's sales and use  
16 tax functions and shall provide consumers clear and conspicuous notice of its practice  
17 regarding such information, including how it collects the information, how it uses the  
18 information, and under what circumstances it discloses the information.

19           (c) A certified service provider may retain personally identifiable information  
20 only to verify exemption claims, to investigate fraud, and to ensure its system's  
21 reliability. A certified service provider who retains an individual's personally  
22 identifiable information shall provide reasonable notice of such retention to the  
23 individual and shall provide the individual reasonable access to the information and  
24 an opportunity to correct inaccurate information. If any person, other than a state  
25 that is a signatory to the agreement, as defined in s. 77.65 (2) (a), requests access to

1 an individual's personally identifiable information, the certified service provider  
2 shall make a reasonable and timely effort to notify the individual of the request.

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

6 **SECTION 163.** 77.61 (16) of the statutes is created to read:

7 **77.61 (16)** Any person who remits taxes and files returns under this subchapter  
8 may designate an agent, as defined in s. 77.524 (1) (ag), to remit such taxes and file  
9 such returns with the department in a manner prescribed by the department.

10 **SECTION 164.** 77.63 (1) (am) of the statutes is created to read:

11 **77.63 (1) (am)** The following persons may retain a portion of sales and use taxes  
12 collected on retail sales under this subchapter and subch. V in an amount determined  
13 by the department and by contracts that the department enters into pursuant to the  
14 agreement, as defined in s. 77.65 (2) (a):

15 1. A certified service provider.

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

18 3. A seller that sells tangible personal property or taxable services in at least  
19 5 states that are signatories to the agreement, as defined in s. 77.65 (2) (a); that has  
20 total annual sales revenue of at least \$500,000,000; that has a proprietary system  
21 that calculates the amount of tax owed to each taxing jurisdiction in which the seller  
22 sells tangible personal property or taxable services; and that has entered into a  
23 performance agreement with the states that are signatories to the agreement, as  
24 defined in s. 77.65 (2) (a). For purposes of this subdivision, "seller" includes an  
25 affiliated group of sellers using the same proprietary system to calculate the amount

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1 of tax owed in each taxing jurisdiction in which the sellers sell tangible personal  
2 property or taxable services.

3 **SECTION 165.** 77.65 (2) (e) of the statutes is amended to read:

4 77.65 (2) (e) "Seller" means any person who sells, leases, or rents tangible  
5 personal property or services.

6 **SECTION 166.** 77.66 of the statutes is created to read:

7 **77.66 Amnesty for new registrants.** (1) A seller is not liable for uncollected  
8 and unpaid taxes, including penalties and interest, imposed under this subchapter  
9 and subch. V on sales made to purchasers in this state before the seller registers  
10 under par. (a), if all of the following apply:

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

15 (b) The seller registers under par. (a) no later than 365 days after the effective  
16 date of this state's participation in the agreement under s. 77.65 (2) (a) .... [revisor  
17 inserts date].

18 (c) The seller was not registered to collect and remit the taxes imposed under  
19 this subchapter and subch. V during the 365 consecutive days immediately before  
20 the effective date of this state's participation in the agreement under s. 77.65 (2) (a)  
21 .... [revisor inserts date].

22 (d) The seller has not received a notice of the commencement of an audit from  
23 the department or, if the seller has received a notice of the commencement of an audit  
24 from the department, the audit has not been resolved by any means, including any

1 related administrative and judicial processes, at the time that the seller registers  
2 under par. (a).

3 (e) The seller has not committed or been involved in a fraud or an intentional  
4 misrepresentation of a material fact, as determined by the department.

5 (f) The seller collects and remits the taxes imposed under this subchapter and  
6 subch. V on sales to purchasers in this state for at least 3 consecutive years after the  
7 date on which the seller registers under par. (a).

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

10 **SECTION 167.** 77.70 of the statutes is amended to read:

11 **77.70 Adoption by county ordinance.** Any county desiring to impose county  
12 sales and use taxes under this subchapter may do so by the adoption of an ordinance,  
13 stating its purpose and referring to this subchapter. The county sales and use taxes  
14 may be imposed only for the purpose of directly reducing the property tax levy and  
15 only in their entirety as provided in this subchapter. That ordinance shall be  
16 effective on the first day of January, the first day of April, the first day of July or the  
17 first day of October. A certified copy of that ordinance shall be delivered to the  
18 secretary of revenue at least 120 days prior to its effective date. The repeal of any  
19 such ordinance shall be effective on December 31. A certified copy of a repeal  
20 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before  
21 the effective date of the repeal.

22 **SECTION 168.** 77.705 of the statutes is amended to read:

23 **77.705 Adoption by resolution; baseball park district.** A local  
24 professional baseball park district created under subch. III of ch. 229, by resolution  
25 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at

1 a rate of no more than 0.1% of the gross receipts or sales price. Those taxes may be  
2 imposed only in their entirety. The resolution shall be effective on the first day of the  
3 ~~first month~~ January 1, April 1, July 1, or October 1 that begins at least ~~30~~ 120 days  
4 after the adoption of the resolution.

5 **SECTION 169.** 77.706 of the statutes is amended to read:

6 **77.706 Adoption by resolution; football stadium district.** A local  
7 professional football stadium district created under subch. IV of ch. 229, by  
8 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this  
9 subchapter at a rate of 0.5% of the gross receipts or sales price. Those taxes may be  
10 imposed only in their entirety. The imposition of the taxes under this section shall  
11 be effective on the first day of the ~~first month~~ January 1, April 1, July 1, or October  
12 1 that begins at least ~~30~~ 120 days after the certification of the approval of the  
13 resolution by the electors in the district's jurisdiction under s. 229.824 (15).

14 **SECTION 170.** 77.707 (1) of the statutes is amended to read:

15 **77.707 (1)** Retailers and the department of revenue may not collect a tax under  
16 s. 77.705 for any local professional baseball park district created under subch. III of  
17 ch. 229 after the last day of the calendar quarter ~~during that is at least 120 days from~~  
18 the date on which the local professional baseball park district board makes a  
19 certification to the department of revenue under s. 229.685 (2), except that the  
20 department of revenue may collect from retailers taxes that accrued before the day  
21 after the last day of that calendar quarter and fees, interest and penalties that relate  
22 to those taxes.

23 **SECTION 171.** 77.707 (2) of the statutes is amended to read:

24 **77.707 (2)** Retailers and the department of revenue may not collect a tax under  
25 s. 77.706 for any local professional football stadium district created under subch. IV

1 of ch. 229 after the last day of the calendar quarter during that is at least 120 days  
2 from the date on which the local professional football stadium district board makes  
3 all of the certifications to the department of revenue under s. 229.825 (3), except that  
4 the department of revenue may collect from retailers taxes that accrued before the  
5 day after the last day of that calendar quarter and fees, interest and penalties that  
6 relate to those taxes.

7 **SECTION 172.** 77.71 (1) of the statutes is amended to read:

8 77.71 (1) For the privilege of selling, licensing, leasing or renting tangible  
9 personal property and for the privilege of selling, performing or furnishing services  
10 a sales tax is imposed upon retailers at the rate of 0.5% in the case of a county tax  
11 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~gross~~  
12 ~~receipts~~ sales price from the sale, licensing, lease or rental of tangible personal  
13 property, except property taxed under sub. (4), sold, licensed, leased or rented at  
14 retail in the county or special district or from selling, performing or furnishing  
15 services described under s. 77.52 (2) in the county or special district.

16 **SECTION 173.** 77.71 (2) of the statutes is amended to read:

17 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax  
18 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~sales~~  
19 purchase price upon every person storing, using or otherwise consuming in the  
20 county or special district tangible personal property or services if the property or  
21 service is subject to the state use tax under s. 77.53, except that a receipt indicating  
22 that the tax under sub. (1), (3) or (4) has been paid relieves the buyer of liability for  
23 the tax under this subsection and except that if the buyer has paid a similar local tax  
24 in another state on a purchase of the same property or services that tax shall be  
25 credited against the tax under this subsection and except that for motor vehicles that

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

4 **SECTION 174.** 77.71 (3) of the statutes is amended to read:

5 77.71 (3) An excise tax is imposed upon a contractor engaged in construction  
6 activities within the county or special district, at the rate of 0.5% in the case of a  
7 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax  
8 of the sales purchase price of tangible personal property that is used in constructing,  
9 altering, repairing or improving real property and that becomes a component part  
10 of real property in that county or special district, except that if the contractor has  
11 paid the sales tax of a county in the case of a county tax or of a special district in the  
12 case of a special district tax in this state on that property, or has paid a similar local  
13 sales tax in another state on a purchase of the same property, that tax shall be  
14 credited against the tax under this subsection.

15 **SECTION 175.** 77.71 (4) of the statutes is amended to read:

16 77.71 (4) An excise tax is imposed at the rate of 0.5% in the case of a county tax  
17 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales  
18 purchase price upon every person storing, using or otherwise consuming a motor  
19 vehicle, boat, ~~snowmobile~~, mobile home not exceeding 45 feet in length, ~~trailer,~~  
20 ~~semitrailer, all-terrain vehicle~~ or aircraft, if that property must be registered or  
21 titled with this state and if that property is to be customarily kept in a county that  
22 has in effect an ordinance under s. 77.70 or in a special district that has in effect a  
23 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local  
24 sales tax in another state on a purchase of the same property that tax shall be  
25 credited against the tax under this subsection.

1 SECTION 176. 77.72 (title) of the statutes is repealed.

2 SECTION 177. 77.72 (1) of the statutes is renumbered 77.72 and amended to  
3 read:

4 **77.72 General rule for property.** For the purposes of this subchapter, all  
5 retail sales of tangible personal property ~~are completed at the time when, and the~~  
6 ~~place where, the seller or the seller's agent transfers possession to the buyer or the~~  
7 ~~buyer's agent. In this subsection, a common carrier or the U.S. postal service is the~~  
8 ~~agent of the seller, regardless of any f.o.b. point and regardless of the method by~~  
9 ~~which freight or postage is paid. Rentals and leases of property, except property~~  
10 ~~under sub. (2), have a situs at the location of that property and taxable services occur~~  
11 as provided in s. 77.522.

12 SECTION 178. 77.72 (2) and (3) of the statutes are repealed.

Fix  
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13 SECTION 179. 77.77 (1) of the statutes is <sup>renumbered 77.77(1)(a) and</sup> amended to read:

first

14 77.77 (1) <sup>(a)</sup> The gross receipts sales price from services subject to the tax under  
15 s. 77.52 (2) ~~are not~~ is subject to the taxes under this subchapter, and the incremental  
16 amount of tax caused by a rate increase or decrease applicable to those services is ~~not~~  
17 due, ~~if those services are billed to the customer and paid for before beginning with~~  
18 the billing period starting on or after the effective date of the county ordinance,  
19 special district resolution, or rate increase or decrease, regardless of whether the  
20 <sup>we</sup> service is furnished to the customer before or after that date. <sup>restore</sup>

21 SECTION 180. 77.785 (1) of the statutes is amended to read:

22 77.785 (1) All retailers shall collect and report the taxes under this subchapter  
23 on the gross receipts sales price from leases and rentals of property under s. 77.71  
24 (4).

25 SECTION 181. 77.785 (2) of the statutes is amended to read:

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71-20

INJECT  
72-12

1 77.785 (2) Prior to registration or titling, a retailer of a boat, all-terrain vehicle,  
2 trailer and semi-trailer dealers and licensed aircraft, motor vehicle, or mobile home  
3 and snowmobile dealers shall collect the taxes under this subchapter on sales of  
4 items under s. 77.71 (4). The dealer retailer shall remit those taxes to the  
5 department of revenue along with payments of the taxes under subch. III.

6 SECTION 182. 77.98 of the statutes is amended to read:

7 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may  
8 impose a tax on the retail sale, except sales for resale, within the district's  
9 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~  
10 ~~(c) 1. to 3., 2001 stats., and not exempt from the sales tax under s. 77.54 (1), 2001~~  
11 ~~stats., s. 77.54 (4), 2001 stats., s. 77.54 (7) (a), 2001 stats., s. 77.54 (7m), 2001 stats.,~~  
12 ~~s. 77.54 (9), 2001 stats., s. 77.54 (9a), 2001 stats., or s. 77.54 (20) (c) 5., 2001 stats.~~

13 SECTION 183. 77.981 of the statutes is amended to read:

14 **77.981 Rate.** The tax under s. 77.98 is imposed on the sale of taxable products  
15 at the rate of 0.25% of the ~~gross receipts~~ sales price, except that the district, by a vote  
16 of a majority of the authorized members of its board of directors, may impose the tax  
17 at the rate of 0.5% of the ~~gross receipts~~ sales price. A majority of the authorized  
18 members of the district's board may vote that, if the balance in a special debt service  
19 reserve fund of the district is less than the requirement under s. 229.50 (5), the tax  
20 rate under this subchapter is 0.5%. The 0.5% rate shall be effective on the next  
21 January 1, April 1, July 1 or October 1, and this tax is irrevocable if any bonds issued  
22 by the district and secured by the special debt service reserve fund are outstanding.

23 SECTION 184. 77.982 (2) of the statutes is amended to read:

24 77.982 (2) Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d), (14) (a) to  
25 (f), and (j) and (k) and, (14g), (15a), and (15b), 77.52 (3), (6), (13), (14), (18), and (19),

1 77.522, 77.58 (1) to (5) and (7), 77.585, 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12)  
2 to (14), and 77.62, as they apply to the taxes under subch. III, apply to the tax under  
3 this subchapter. Sections 77.72 (1) and 77.73, as they apply to the taxes under subch.  
4 V, apply to the tax under this subchapter.

5 **SECTION 185.** 77.99 of the statutes is amended to read:

6 **77.99 Imposition.** A local exposition district under subch. II of ch. 229 may  
7 impose a tax at the rate of 3% of the ~~gross receipts~~ sales price on the rental, but not  
8 for rental and not for rental as a service or repair replacement vehicle, within the  
9 district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01  
10 (4) (a), by establishments primarily engaged in short-term rental of passenger cars  
11 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales  
12 tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under  
13 s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's  
14 authorized board of directors may vote to increase the tax rate under this subchapter  
15 to 4%.

16 **SECTION 186.** 77.991 (2) of the statutes is amended to read:

17 77.991 (2) Sections 77.51 (4) (a), (b) ~~1., 2. and 4., (c) 1. to 3. and (d) and (14) (a)~~  
18 to (f), and (j) and (k), (15a), and (15b), 77.52 (4), ~~(6), (13), (14), and (18)~~, 77.58 (1) to  
19 (5) and (7), 77.585, 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as  
20 they apply to the taxes under subch. III, apply to the tax under this subchapter.  
21 Sections 77.72 ~~(1)~~, 2001 stats., and ~~77.72 (2) (a)~~, 2001 stats., and ~~s~~ 77.73, as they  
22 apply to the taxes under subch. V, apply to the tax under this subchapter. The renter  
23 shall collect the tax under this subchapter from the person to whom the passenger  
24 car is rented.

25 **SECTION 187.** 77.994 (1) (intro.) of the statutes is amended to read:

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

8           **SECTION 188.** 77.9941 (4) of the statutes is amended to read:

9           77.9941 (4) Section 77.59 (9p) (b), as it applies to the taxes under subch. III,  
10 applies to the tax under this subchapter. Sections 77.72 ~~(1)~~, 2001 stats., 77.72 (2) (a),  
11 2001 stats., and 77.72 (3) (a), 2001 stats., and ss. 77.73, 77.74, 77.75, 77.76 (1), (2),  
12 and (4), 77.77 (1) and (2), 77.785 (1), and 77.79, as they apply to the taxes under  
13 subch. V, apply to the tax under this subchapter.

14           **SECTION 189.** 77.995 (2) of the statutes is amended to read:

15           77.995 (2) There is imposed a fee at the rate of 3%, or 5% for the rental of  
16 limousines, of the gross receipts sales price on the rental, but not for rental and not  
17 for rental as a service or repair replacement vehicle of Type 1 automobiles, as defined  
18 in s. 340.01 (4) (a); of mobile homes, as defined in s. 340.01 (29); of motor homes, as  
19 defined in s. 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by  
20 establishments primarily engaged in short-term rental of vehicles without drivers,  
21 for a period of 30 days or less, unless the sale is exempt from the sales tax under s.  
22 77.54 (1), (4), (7) (a), (7m) or (9a).

23           **SECTION 190.** 77.9951 (2) of the statutes is amended to read:

24           77.9951 (2) Sections 77.51 (4) ~~(a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (14)~~  
25 (a) to (f), and (j) and (k), (15a), and (15b), 77.52 (4), ~~(6)~~, (13), (14), and (18), 77.58 (1)

1 to (5) and (7), <sup>77.585</sup> 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they  
2 apply to the taxes under subch. III, apply to the fee under this subchapter. The renter  
3 shall collect the fee under this subchapter from the person to whom the vehicle is  
4 rented.

5 **SECTION 191.** 86.195 (3) (b) 3. of the statutes is amended to read:

6 86.195 (3) (b) 3. Fifty percent of the gross receipts of the business are from meal,  
7 food, the sale of food product and beverage sales and food ingredients, as defined in  
8 s. 77.51 (3t), that are taxable under s. 77.54 (20) (e) subch. III of ch. 77; and

9 **SECTION 192.** 218.0171 (2) (cq) of the statutes is amended to read:

10 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,  
11 the manufacturer shall provide to the consumer a written statement that specifies  
12 the trade-in amount previously applied under s. 77.51 (4) (b) 3. ~~or 3m. or (15) (b) 4.~~  
13 ~~or 4m. (12m) (b) 5. or 6. or (15b) (b) 5. or 6.~~ toward the sales price of the motor vehicle  
14 having the nonconformity and the date on which the manufacturer provided the  
15 refund.

16 **SECTION 193. Nonstatutory provisions.**

17 (1) THE STREAMLINED SALES AND USE TAX AGREEMENT. The department of revenue  
18 shall notify the revisor of statutes of the effective date of this state's participation in  
19 the streamlined sales and use tax agreement, as described in section 77.65 of the  
20 statutes, no later than 30 days after such effective date is determined.

21 **SECTION 194. Appropriation changes.**

22 (1) ADMINISTRATIVE COSTS RELATED TO THE STREAMLINED SALES AND USE TAX  
23 AGREEMENT. In the schedule under section 20.005 (3) of the statutes for the  
24 appropriation to the department of revenue under section 20.566 (1) (a) of the  
25 statutes, as affected by the acts of 2003, the dollar amount is increased by \$25,000

1 for fiscal year 2003–04 and the dollar amount is increased by \$25,000 for fiscal year  
2 2004–05 to pay for administrative costs related to the streamlined sales and use tax  
3 agreement.

4 **SECTION 195. Effective date.**

5 (1) This act takes effect on the first day of the 3rd month beginning after  
6 publication.

7 (END)

INSERT 36 - 11 ✓

1 (4) FLORISTS. (a) The sale of tangible personal property by a retail florist who  
2 takes an order from a purchaser occurs at the location where the retail florist takes  
3 the order, if the retail florist forwards the order to another retail florist who is at a  
4 location other than the location of the florist who takes the order and who transfers  
5 the tangible personal property to a person identified by the purchaser.

6 (b) For purposes of this subsection, "retail florist" means a person engaged in  
7 the business of selling cut flowers, floral arrangements, and potted plants and who  
8 usually prepares such flowers, floral arrangements, and potted plants. "Retail  
9 florist" does not include a person who primarily sells cut flowers, floral  
10 arrangements, and potted plants by mail or via the Internet.

11 (c) This subsection does not apply to sales on or after January 1, 2006.

INSERT 49 - 13

occurring

12 SECTION 1. 77.54 (20r) of the statutes is created to read:

13 77.54 (20r) The sales price from the sales of and the storage, use, or other  
14 consumption of candy, soft drinks, dietary supplements, and prepared foods, and  
15 disposable products that are transferred with such items, furnished for no  
16 consideration by a restaurant to the restaurant's employee during the employee's  
17 work hours.

INSERT 59 - 23 ✓

18 (f) If a bad debt relates to the retail sales of tangible personal property or  
19 taxable services that occurred in this state and in one or more other states, as  
20 determined under s. 77.522, the total amount of such bad debt shall be apportioned

1 among the states in which the underlying sales occurred in a manner prescribed by  
2 the department to arrive at the amount of the deduction under par. (b).

**INSERT 63 - 22 ✓**

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

5 77.61 (2) (intro.) In order to protect the revenue of the state:

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

History: 1971 c. 125; 1975 c. 186, 224; 1977 c. 29, 200, 418; 1979 c. 89, 125, 174; 1981 c. 20; 1983 a. 189 s. 329 (12); 1983 a. 405; 1983 a. 544 s. 47 (1); 1985 a. 29, 41; 1987 a. 27, 92, 119, 246; 1989 a. 31, 122, 359; 1991 a. 39, 269, 316; 1993 a. 205, 399; 1995 a. 27, 233, 280; 1997 a. 27, 191, 237; 1999 a. 83; 2001 a. 44, 103.

20 **SECTION 3.** 77.61 (2) (b) of the statutes is created to read:

21 77.61 (2) (b) A certified service provider who has contracted with a seller, and  
22 filed an application, to collect and remit sales and use taxes imposed under this  
23 subchapter on behalf of the seller shall submit a surety bond to the department to

1 guarantee the payment of sales and use taxes, including any penalty and interest on  
 2 such payment. The department shall approve the form and contents of a bond  
 3 submitted under this paragraph and shall ~~the~~ determine the amount of such bond.  
 4 The surety bond shall be submitted to the department within 60 days after the date  
 5 ~~that~~ <sup>on which</sup> the department notifies the certified service provider that the certified service  
 6 provider is registered to collect sales and use taxes imposed under this subchapter.  
 7 If the department determines, with regards to any one certified service provider, that  
 8 no bond is necessary to protect the tax revenues of this state, the secretary of revenue  
 9 or the secretary's designee may waive the requirements under this paragraph with  
 10 regards <sup>e</sup> to that certified service provider. Any bond submitted under this paragraph  
 11 shall remain in force until the secretary of revenue or the secretary's designee  
 12 releases the liability under the bond.

**INSERT 71 - 20**

13 **SECTION 4.** 77.77 (1) (b) of the statutes is created to read:  
 14 77.77 (1) (b) The sales price from services subject to <sup>the</sup> tax under s. 77.52 (2) is ✓  
 15 subject to the taxes under this subchapter, and the incremental amount of tax caused  
 16 by a rate decrease applicable to those services is due, beginning with bills rendered  
 17 on or after the effective date of the county ordinance, special district resolution, or  
 18 rate decrease, regardless of whether the service is furnished to the customer before  
 19 or after that date.

**INSERT 72 - 12**

20 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may  
 21 impose a tax on the retail sale, except sales for resale, within the district's  
 22 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~

1 (e) ~~1. to 3. and not candy~~, as defined in s. 77.51 (1e), prepared food, as defined <sup>in</sup> ~~under~~  
2 s. 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the  
3 sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) ~~or (20) (e) 5~~, (20n) (b) and (c),  
4 and (20r).

History: 1993 a. 263.





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