SECTION 148. 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 149. 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 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 150. 77.56 (1) of the statutes is amended to read:

77.56 **(1)** The storage, use or other consumption in this state of property, 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 151. 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 property 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 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 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 152. 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 153. 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 shall be reported and the tax paid in accordance with such rules as the department prescribes.

SECTION 154. 77.58 (6m) of the statutes is created to read:

1 77.58 **(6m)** (a) 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 (b) The entire sales price of credit transactions shall be reported in the period
5 in which the sale is made without reduction in the amount of tax payable by the
6 retailer by reason of the retailer's transfer at a discount the open account, note,
7 conditional sales contract, lease contract, or other evidence of indebtedness.

8 **SECTION 155.** 77.58 (9a) of the statutes is created to read:

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

15 **SECTION 156.** 77.585 of the statutes is created to read:

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

24 (b) A seller may claim as a deduction on a return under s. 77.58 the amount of
25 any bad debt that the seller writes off as uncollectible in the seller's books and records

1 and that is eligible to be deducted as bad debt for federal income tax purposes,
2 regardless of whether the seller is required to file a federal income tax return. A
3 seller who claims a deduction under this paragraph shall claim the deduction on the
4 return under s. 77.58 that is submitted for the period in which the seller writes off
5 the amount of the deduction as uncollectible in the seller's books and records and in
6 which such amount is eligible to be deducted as bad debt for federal income tax
7 purposes. If the seller subsequently collects in whole or in part any bad debt for
8 which a deduction is claimed under this paragraph, the seller shall include the
9 amount collected in the return filed for the period in which the amount is collected
10 and shall pay the tax with the return.

11 (c) For purposes of computing a bad debt deduction or reporting a payment
12 received on a previously claimed bad debt, any payment made on a debt or on an
13 account is applied first to the price of the property or service sold, and the
14 proportionate share of the sales tax on that property or service, and then to interest,
15 service charges, and other charges related to the sale.

16 (d) A seller may obtain a refund of the tax collected on any bad debt amount
17 deducted under par. (b) that exceeds the amount of the seller's taxable sales as
18 provided under s. 77.59 (4), except that the period for making a claim as determined
19 under s. 77.59 (4) begins on the date on which the return on which the bad debt could
20 be claimed would have been required to be submitted to the department under s.
21 77.58.

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

1 deduction to the seller and a certified service provider who receives a refund under
2 this subsection shall submit that refund to the seller.

3 (f) If a bad debt relates to the retail sales of tangible personal property or
4 taxable services that occurred in this state and in one or more other states, as
5 determined under s. 77.522, the total amount of such bad debt shall be apportioned
6 among the states in which the underlying sales occurred in a manner prescribed by
7 the department to arrive at the amount of the deduction under par. (b).

8 **(2)** If a lessor of tangible personal property has reimbursed the vendor for the
9 sales tax on the sale of the property by the vendor to the lessor, the tax due from the
10 lessor on the rental receipts may be offset by a credit equal to the tax otherwise due
11 on the rental receipts from the property for the reporting period. The credit shall
12 expire when the cumulative rental receipts equal the sales price upon which the
13 vendor paid sales taxes to this state.

14 **(3)** If a purchaser of tangible personal property has reimbursed the vendor of
15 the property for the sales tax on the sale and subsequently, before making any use
16 of the property other than retention, demonstration, or display while holding it for
17 sale or rental, makes a taxable sale of the property, the tax due on the taxable sale
18 may be offset by the tax reimbursed.

19 **(4)** A seller may claim a deduction on any part of the sales price or purchase
20 price that the seller refunds in cash or credit as a result of returned property or
21 adjustments in the sales price or purchase price after the sale has been completed,
22 if the seller has included the refunded price in a prior return made by the seller and
23 has paid the tax on such price, and if the seller has returned to the purchaser in cash
24 or in credit all tax previously paid by the purchaser on the amount of the refund at

1 the time of the purchase. A deduction under this subsection shall be claimed on the
2 return for the period in which the refund is paid.

3 **(5)** No reduction in the amount of tax payable by the retailer is allowable in the
4 event property sold on credit is repossessed except where the entire consideration
5 paid by the purchaser is refunded to the purchaser or where a credit for a worthless
6 account is allowable under sub. (1).

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

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

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

20 **SECTION 157.** 77.59 (2m) of the statutes is created to read:

21 77.59 **(2m)** The department may audit, or may authorize others to audit, sellers
22 and certified service providers who are registered with the department pursuant to
23 the agreement, as defined in s. 77.65 (2) (a).

24 **SECTION 158.** 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 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 159. 77.59 (9n) of the statutes is created to read:

77.59 **(9n)** No seller or certified service provider is liable for any deficiency or refund under this subchapter that is the result of the seller or certified service provider relying on erroneous information contained in a database maintained under s. 73.03 (61) (e) or (f).

SECTION 160. 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, or tangible personal property, and if the customer believes that the amount of the tax assessed for the sale of the service or property 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, or commence any action, 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, or tangible personal property, unless the customer has exhausted his or her remedies under this paragraph.

SECTION 161. 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 162. 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) A direct mail form, as defined in s. 77.522 (1) (a) 1.

(d) A multiple–points–of–use exemption form, as defined in s. 77.522 (1) (a) 2.

SECTION 163. 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, mobile homes not exceeding 45 feet in length, 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 164. 77.61 (1) (c) of the statutes is amended to read:

77.61 **(1)** (c) In the case of motor vehicles, boats, snowmobiles, mobile homes not exceeding 45 feet in length, 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 mobile home 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, mobile home not exceeding 45 feet in length, trailer, semitrailer, all–terrain vehicle or aircraft in this state.

SECTION 165. 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:

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

15 **SECTION 166.** 77.61 (2) (b) of the statutes is created to read:

16 77.61 **(2)** (b) A certified service provider who has contracted with a seller, and
17 filed an application, to collect and remit sales and use taxes imposed under this
18 subchapter on behalf of the seller shall submit a surety bond to the department to
19 guarantee the payment of sales and use taxes, including any penalty and interest on
20 such payment. The department shall approve the form and contents of a bond
21 submitted under this paragraph and shall determine the amount of such bond. The
22 surety bond shall be submitted to the department within 60 days after the date on
23 which the department notifies the certified service provider that the certified service
24 provider is registered to collect sales and use taxes imposed under this subchapter.
25 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 167. 77.61 (3) of the statutes is repealed.

SECTION 168. 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 169. 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, <u>not including certified service providers,</u> 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

1 purposes of calculating the retailer's discount under this paragraph, the taxes on
2 retail sales reported by retailers under subch. V, including taxes collected and
3 remitted as required under s. 77.785, shall be included if the payment of those taxes
4 is not delinquent.

5 **SECTION 170.** 77.61 (5m) of the statutes is created to read:

6 77.61 **(5m)** (a) In this subsection, "personally identifiable information" means
7 any information that identifies a person.

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

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

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

25 **SECTION 171.** 77.61 (16) of the statutes is created to read:

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

4 **SECTION 172.** 77.63 of the statutes is repealed and recreated to read:

5 **77.63 Collection compensation.** The following persons may retain a portion
6 of sales and use taxes collected on retail sales under this subchapter and subch. V
7 in an amount determined by the department and by contracts that the department
8 enters into pursuant to the agreement, as defined in s. 77.65 (2) (a):

9 **(1)** A certified service provider.

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

12 **(3)** A seller that sells tangible personal property or taxable services in at least
13 5 states that are signatories to the agreement, as defined in s. 77.65 (2) (a); that has
14 total annual sales revenue of at least $500,000,000; that has a proprietary system
15 that calculates the amount of tax owed to each taxing jurisdiction in which the seller
16 sells tangible personal property or taxable services; and that has entered into a
17 performance agreement with the states that are signatories to the agreement, as
18 defined in s. 77.65 (2) (a). For purposes of this subsection, "seller" includes an
19 affiliated group of sellers using the same proprietary system to calculate the amount
20 of tax owed in each taxing jurisdiction in which the sellers sell tangible personal
21 property or taxable services.

22 **SECTION 173.** 77.65 (2) (c) of the statutes is repealed.

23 **SECTION 174.** 77.65 (2) (e) of the statutes is amended to read:

24 77.65 **(2)** (e) "Seller" means any person who sells, leases, or rents <u>tangible</u>
25 personal property or services.

1 **SECTION 175.** 77.67 of the statutes is created to read:

2 **77.67 Amnesty for new registrants. (1)** A seller is not liable for uncollected
3 and unpaid taxes, including penalties and interest, imposed under this subchapter
4 and subch. V on sales made to purchasers in this state before the seller registers
5 under par. (a), if all of the following apply:

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

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

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

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

22 (e) The seller has not committed or been involved in a fraud or an intentional
23 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 registers under par. (a).

(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 176. 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 177. 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. 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.

1 **SECTION 178.** 77.706 of the statutes is amended to read:

2 **77.706 Adoption by resolution; football stadium district.** A local
3 professional football stadium district created under subch. IV of ch. 229, by
4 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
5 subchapter at a rate of 0.5% of the gross receipts or sales price. Those taxes may be
6 imposed only in their entirety. The imposition of the taxes under this section shall
7 be effective on the first ~~day of the first month~~ January 1, April 1, July 1, or October
8 1 that begins at least ~~30~~ 120 days after the certification of the approval of the
9 resolution by the electors in the district's jurisdiction under s. 229.824 (15).

10 **SECTION 179.** 77.707 (1) of the statutes is amended to read:

11 77.707 **(1)** Retailers and the department of revenue may not collect a tax under
12 s. 77.705 for any local professional baseball park district created under subch. III of
13 ch. 229 after the last day of the calendar quarter ~~during~~ that is at least 120 days from
14 the date on which the local professional baseball park district board makes a
15 certification to the department of revenue under s. 229.685 (2), except that the
16 department of revenue may collect from retailers taxes that accrued before the day
17 after the last day of that calendar quarter and fees, interest and penalties that relate
18 to those taxes.

19 **SECTION 180.** 77.707 (2) of the statutes is amended to read:

20 77.707 **(2)** Retailers and the department of revenue may not collect a tax under
21 s. 77.706 for any local professional football stadium district created under subch. IV
22 of ch. 229 after the last day of the calendar quarter ~~during~~ that is at least 120 days
23 from the date on which the local professional football stadium district board makes
24 all of the certifications to the department of revenue under s. 229.825 (3), except that
25 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 181. 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 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, licensing, lease or rental of tangible personal property, 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 182. 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 services if the property 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 property 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 183. 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 that is used in constructing, altering, repairing or improving real property and that becomes 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 property, or 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 184. 77.71 (4) of the statutes is amended to read:

77.71 **(4)** 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 a motor vehicle, boat, ~~snowmobile,~~ mobile home not exceeding 45 feet in length, ~~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 185. 77.72 (title) of the statutes is repealed.

SECTION 186. 77.72 (1) of the statutes is renumbered 77.72 and amended to read:

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

9 **SECTION 187.** 77.72 (2) and (3) of the statutes are repealed.

10 **SECTION 188.** 77.73 (2) of the statutes is amended to read:

11 77.73 **(2)** Counties and special districts do not have jurisdiction to impose the
12 tax under s. 77.71 (2) in regard to tangible personal property, except snowmobiles,
13 trailers, semitrailers, and all–terrain vehicles, purchased in a sale that is
14 consummated in another county or special district in this state that does not have
15 in effect an ordinance or resolution imposing the taxes under this subchapter and
16 later brought by the buyer into the county or special district that has imposed a tax
17 under s. 77.71 (2).

18 **SECTION 189.** 77.73 (3) of the statutes is created to read:

19 77.73 **(3)** Counties and special districts have jurisdiction to impose the taxes
20 under this subchapter on retailers who register under s. 77.53 (9m). A retailer who
21 registers under s. 77.53 (9m) shall collect, report, and remit to the department the
22 taxes imposed under this subchapter for all counties and special districts that have
23 an ordinance or resolution imposing the taxes under this subchapter.

24 **SECTION 190.** 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 191. 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 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 is leased, rented, or licensed to the customer before or after that date.

SECTION 192. 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 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 is leased, rented, or licensed to the customer before or after that date.

1 **SECTION 193.** 77.77 (2) of the statutes is repealed.

2 **SECTION 194.** 77.785 (1) of the statutes is amended to read:

3 77.785 **(1)** All retailers shall collect and report the taxes under this subchapter
4 on the ~~gross receipts~~ sales price from leases and rentals of property under s. 77.71
5 (4).

6 **SECTION 195.** 77.785 (2) of the statutes is amended to read:

7 77.785 **(2)** Prior to registration or titling, a retailer of a boat, ~~all–terrain vehicle,~~
8 ~~trailer and semi–trailer dealers and licensed~~ aircraft, motor vehicle, or mobile home
9 ~~and snowmobile dealers~~ shall collect the taxes under this subchapter on sales of
10 items under s. 77.71 (4). The ~~dealer~~ retailer shall remit those taxes to the
11 department of revenue along with payments of the taxes under subch. III.

12 **SECTION 196.** 77.98 of the statutes is amended to read:

13 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may
14 impose a tax on the retail sale, except sales for resale, within the district's
15 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~
16 ~~(c) 1. to 3. and not~~ candy, as defined in s. 77.51 (1e), prepared food, as defined in s.
17 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the
18 sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) ~~or (20) (c) 5.~~, (20n) (b) and (c),
19 and (20r).

20 **SECTION 197.** 77.981 of the statutes is amended to read:

21 **77.981 Rate.** The tax under s. 77.98 is imposed on the sale of taxable products
22 at the rate of 0.25% of the ~~gross receipts~~ sales price, except that the district, by a vote
23 of a majority of the authorized members of its board of directors, may impose the tax
24 at the rate of 0.5% of the ~~gross receipts~~ sales price. A majority of the authorized
25 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 198. 77.982 (2) of the statutes is amended to read:

77.982 **(2)** Sections 77.51 ~~(4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d)~~ (12m), (14) ~~(a) to (f), (j) and (k) and~~, (14g), (15a), and (15b), 77.52 (3), ~~(6),~~ (3m), (4), (13), (14), (18) and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9) ~~and~~, (12) to (14), and (15), and 77.62, as they apply to the taxes under subch. III, apply to the tax under this subchapter. ~~Sections 77.72 (1) and~~ Section 77.73, as ~~they apply~~ it applies to the taxes under subch. V, ~~apply~~ applies to the tax under this subchapter.

SECTION 199. 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%.

SECTION 200. 77.991 (2) of the statutes is amended to read:

77.991 **(2)** Sections 77.51 ~~(4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and~~ (12m), (14) ~~(a) to (f), (j) and (k)~~, (14g), (15a), and (15b), 77.52 (3), (3m), (4), ~~(6),~~ (13), (14) ~~and~~, (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9) ~~and~~, (12) to (14), and (15), and 77.62, as they apply to the taxes under subch. III, apply to the tax under this subchapter. ~~Sections 77.72 (1) and (2) (a) and~~ Section 77.73, as ~~they apply~~ it applies to the taxes under subch. V, ~~apply~~ 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 201. 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 202. 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 203. 77.995 (2) of the statutes is amended to read:

77.995 **(2)** There is imposed a fee at the rate of 3%, or 5% for the rental of limousines, 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 mobile homes, as defined in s. 340.01 (29); of motor homes, as

INSERT 80-4

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).

SECTION 204. 77.9951 (2) of the statutes is amended to read:

77.9951 **(2)** Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (12m), (14) (a) to (f), (j) and (k), (15a), and (15b), 77.52 (3m), (4), (6), (13), (14) and, (18), and (19), 77.522 (2), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9) and, (12) to (14), and (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 205. 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. 77.9661 (1m) s. 77.9961 (1m) that is passed on to customers.

SECTION 206. 86.195 (3) (b) 3. of the statutes is amended to read:

86.195 **(3)** (b) 3. Fifty percent of the gross receipts of the business are 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 207. 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 9141. Nonstatutory provisions; revenue.

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

SECTION 9441. Effective dates; revenue.

(1) IMPLEMENTING THE STREAMLINED SALES AND USE TAX AGREEMENT. The repeal of sections 20.435 (3) (bm), 46.513, 77.51 (4), 77.51 (14) (d), 77.51 (14) (i), 77.51 (14) (k), 77.51 (14) (L), 77.51 (14r), 77.51 (15), 77.52 (3m), 77.52 (6), 77.52 (14) (a) 2., 77.523 (title), 77.53 (4), 77.54 (14g), 77.54 (14s), 77.54 (20), 77.54 (20m), 77.54 (22), 77.54 (40), 77.61 (3), 77.65 (2) (c), 77.72 (title), 77.72 (2) and (3), and 77.77 (2) of the statutes, the renumbering of sections 77.51 (1), 77.51 (14) (g), 77.524 (1) (a), 77.524 (1) (b), and 77.53 (9m) of the statutes, the renumbering and amendment of sections ~~77.52 (1)~~ 77.523, 77.61 (2), 77.72 (1), and 77.77 (1) of the statutes, the consolidation, renumbering, and amendment of section 77.52 (14) (a) (intro.) and 1. and (b) of the statutes, the amendment of sections 66.0615 (1m) (f) 2., 70.111 (23), 73.03 (50) (d), 76.07 (4g) (b) 8., 77.51 (5), 77.51 (13) (o), 77.51 (14) (intro.), 77.51 (14) (a), 77.51 (14) (j), 77.51 (17), 77.51 (20), 77.51 (21), 77.52 (2) (intro.), 77.52 (2) (a) 5. a. and 10., 77.52 (7), 77.52 (13), 77.52 (15), 77.53 (1), 77.53 (3), 77.53 (9), 77.53 (10), 77.53 (11), 77.53 (16), 77.53 (17), 77.53 (17m), 77.53 (17r) (a), 77.53 (18), 77.54 (1), 77.54 (2), 77.54 (2m), 77.54 (3) (a), 77.54 (3m) (intro.), 77.54 (4), 77.54 (5) (intro.), 77.54 (6) (intro.), 77.54 (8), 77.54 (9), 77.54 (9a) (intro.), 77.54 (10), 77.54 (11), 77.54 (12), 77.54 (13),

77.51 (13g) (c) (intro.)

77.52(1)(a)

77.54 (14) (intro.), 77.54 (14) (a), 77.54 (14) (b), 77.54 (14) (f), 77.54 (15), 77.54 (16), 77.54 (17), 77.54 (18), 77.54 (21), 77.54 (23m), 77.54 (25), 77.54 (26), 77.54 (26m), 77.54 (27), 77.54 (28), 77.54 (29), 77.54 (30) (a) (intro.), 77.54 (30) (c), 77.54 (31), 77.54 (32), 77.54 (33), 77.54 (34), 77.54 (35), 77.54 (36), 77.54 (37), 77.54 (38), 77.54 (39), 77.54 (41), 77.54 (42), 77.54 (43), 77.54 (44), 77.54 (45), 77.54 (46), 77.54 (46m), 77.55 (1) (intro.), 77.55 (2), 77.55 (2m), 77.55 (3), 77.56 (1), 77.57, 77.58 (3) (b), 77.58 (6), 77.59 (9), 77.61 (1) (b), 77.61 (1) (c), 77.61 (4) (c), 77.65 (2) (e), 77.70, 77.705, 77.706, 77.707 (1), 77.707 (2), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4), 77.73 (2), 77.75, 77.785 (1), 77.785 (2), 77.98, 77.981, 77.982 (2), 77.99, 77.991 (2), 77.994 (1) (intro.), 77.9941 (4), ~~77.995 (2)~~, 77.9951 (2), 77.996 (6), 86.195 (3) (b) 3., and 218.0171 (2) (cq) of the statutes, the repeal and recreation of sections 77.51 (7), 77.51 (17m), 77.53 (1), and 77.63 and 77.995 (2) of the statutes, and the creation of sections 73.03 (50b), 73.03 (61), 77.51 (1b), 77.51 (1e), 77.51 (1n), 77.51 (1p), 77.51 (2k), 77.51 (2m), 77.51 (3p), 77.51 (3pd), 77.51 (3pj), 77.51 (3pm), 77.51 (3pp), 77.51 (3t), 77.51 (7m), 77.51 (10m), 77.51 (10n), 77.51 (10r), 77.51 (11m), 77.51 (12m), 77.51 (12p), 77.51 (13s), 77.51 (13g) (c), 77.51 (15a), 77.51 (15b), 77.51 (17w), 77.51 (21p), 77.51 (22) (bm), 77.52 (1) (~~b~~ c), 77.52 (1) (~~c~~ d), 77.52 (7b), 77.522, 77.524 (1) (ag), 77.53 (9m) (b), 77.53 (9m) (c), 77.54 (14b), 77.54 (20n), 77.54 (20r), 77.54 (22b), 77.58 (6m), 77.58 (9a), 77.585, 77.59 (2m), 77.59 (9n), 77.59 (9p) (b), 77.59 (9r), 77.60 (13), 77.61 (2) (b), 77.61 (3m), 77.61 (5m), 77.61 (16), 77.67, 77.73 (3), and 77.77 (1) (b) of the statutes take effect on October 1, 2005.

(END)

Insert 38 – 21

SECTION 1. 77.53 (1) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is repealed and recreated to read:

77.53 **(1)** Except as provided in sub. (1m), an excise tax is levied and imposed on the use or consumption in this state of coins, stamps, leased property, and taxable services under s. 77.52 purchased from any retailer, at the rate of 5% of the purchase price of such coins, stamps, leased property, and services; on the storage, use or other consumption in this state of tangible personal property purchased from any retailer, at the rate of 5% of the purchase price of that property; on the storage, use, or other consumption of audiovisual works, finished artwork, literary works, and audio works purchased from any retailer and delivered electronically to the purchaser, at the rate of 5% of the purchase price of such items; and on the storage, use or other consumption of tangible personal property manufactured, processed or otherwise altered, in or outside this state, by the person who stores, uses or consumes it, from material purchased from any retailer, at the rate of 5% of the purchase price of that material.

****NOTE: This is reconciled s. 77.53 (1). This SECTION has been affected by LRB–1796/1.

Insert 80 – 4

SECTION 2. 77.995 (2) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is repealed and recreated to read:

77.995 **(2)** There is imposed a fee at the rate of 5% of the 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 mobile homes, as defined in s. 340.01 (29); of motor homes, as defined in s. 340.01 (33m); and of

1 camping trailers, as defined in s. 340.01 (6m) by establishments primarily engaged
2 in short–term rental of vehicles without drivers, for a period of 30 days or less, unless
3 the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m) or (9a). There
4 is also imposed a fee at the rate of 5% of the sales price on the rental of limousines.

****NOTE: This is reconciled s. 77.995 (2). This SECTION has been affected by LRB–1046/P1.

Insert 16-2

Section #. 77.51 (13g) (intro.) of the statutes is amended to read:

77.51 **(13g)** (intro.) Except as provided in sub. (13h), "retailer engaged in business in this state", ~~unless otherwise limited by federal statute,~~ for purposes of the use tax, means any of the following:

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48.

Sec #. cr; 77.51 (13g) (c)

77.51 (13g) (c) Any retailer selling tangible personal property or taxable services for storage, use, or other consumption in this state, unless otherwise limited by federal law.

(end intro.)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB–0303/2dn
JK:jld:rs

LRB-0404/3,

This draft reconciles LRB–0303/2, LRB–1096/P1, and LRB–1796/1. All of these drafts should continue to appear in the compiled bill.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB–0303/3dn
JK:jld:jf

January 26, 2005

This draft reconciles LRB–0303/2, LRB–0404/3, LRB–1096/P1, and LRB–1796/1. All of these drafts should continue to appear in the compiled bill.

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