

1           8. At the retailer's option; except that after the retailer chooses an option the  
2 retailer may not use the other option for other sales without the department's written  
3 approval; either 35 percent of the sales price of a manufactured building, as defined  
4 in s. 101.71 (6), or an amount equal to the sales price of the manufactured building  
5 minus the cost of materials that become an ingredient or component part of the  
6 building.

7           \*~~0303/4.47~~\* SECTION 1479. 77.51 (17) of the statutes is amended to read:

8           77.51 (17) "Seller" includes every person selling, leasing or renting tangible  
9 personal property or selling, performing or furnishing services of a kind the gross  
10 receipts sales price from the sale, lease, rental, performance or furnishing of which  
11 are is required to be included in the measure of the sales tax.

12           \*~~0303/4.48~~\* SECTION 1480. 77.51 (17m) of the statutes is repealed and  
13 recreated to read:

14           77.51 (17m) "Service address" means any of the following:

15           (a) The location of the telecommunications equipment to which a customer's  
16 telecommunications service is charged and from which the telecommunications  
17 service originates or terminates, regardless of where the telecommunications service  
18 is billed or paid.

19           (b) If the location described under par. (a) is not known by the seller who sells  
20 the telecommunications service, the location where the signal of the  
21 telecommunications service originates, as identified by the seller's  
22 telecommunications system or, if the signal is not transmitted by the seller's  
23 telecommunications system, by information that the seller received from the seller's  
24 service provider.

1 (c) If the locations described under pars. (a) and (b) are not known by the seller  
2 who sells the telecommunications service, the customer's place of primary use.

3 \*-0303/4.49\* SECTION 1481. 77.51 (17w) of the statutes is created to read:

4 77.51 (17w) "Soft drink" means a beverage that contains less than 0.5 percent  
5 of alcohol and that contains natural or artificial sweeteners. "Soft drink" does not  
6 include a beverage that contains milk or milk products; soy, rice, or similar milk  
7 substitutes; or more than 50 percent vegetable or fruit juice by volume.

8 \*-0303/4.50\* SECTION 1482. 77.51 (20) of the statutes is amended to read:

9 77.51 (20) "Tangible personal property" means ~~all tangible personal property~~  
10 ~~of every kind and description that can be seen, weighed, measured, felt, or touched,~~  
11 ~~or that is in any other manner perceptible to the senses,~~ and includes electricity,  
12 natural gas, steam and, water, and also leased property affixed to realty if the lessor  
13 has the right to remove the property upon breach or termination of the lease  
14 agreement, unless the lessor of the property is also the lessor of the realty to which  
15 the property is affixed. "Tangible personal property" also includes coins and stamps  
16 of the United States sold or traded as collectors' items above their face value and  
17 computer programs except custom prewritten computer programs software.

18 \*-0303/4.51\* SECTION 1483. 77.51 (21) of the statutes is amended to read:

19 77.51 (21) "Taxpayer" means the person who is required to pay, collect, or  
20 account for or who is otherwise directly interested in the taxes imposed by this  
21 subchapter, including a certified service provider.

22 \*-0303/4.52\* SECTION 1484. 77.51 (21p) of the statutes is created to read:

23 77.51 (21p) "Tobacco" means cigarettes, cigars, chewing tobacco, pipe tobacco,  
24 and any other item that contains tobacco.

25 \*-0303/4.53\* SECTION 1485. 77.51 (22) (bm) of the statutes is created to read:

1           77.51 (22) (bm) In this subsection, “exercise of any right or power over tangible  
2 personal property or taxable services” includes distributing, selecting recipients,  
3 determining mailing schedules, or otherwise directing the distribution,  
4 dissemination, or disposal of tangible personal property or taxable services,  
5 regardless of whether the purchaser of such property or services owns or physically  
6 possesses, in this state, the property or services.

7           \*-1796/3.9\* SECTION 1486. 77.52 (1) of the statutes is renumbered 77.52 (1) (a).

8           \*-0303/4.54\* SECTION 1487. 77.52 (1) (a) of the statutes, as affected by 2005  
9 Wisconsin Act .... (this act), is amended to read:

10           77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible  
11 personal property, including accessories, components, attachments, parts, supplies  
12 and materials, at retail a tax is imposed upon all retailers at the rate of 5% of the  
13 ~~gross receipts~~ sales price from the sale, license, lease or rental of tangible personal  
14 property, including accessories, components, attachments, parts, supplies and  
15 materials, sold, leased or rented at retail in this state.

16           \*-1796/3.10\* SECTION 1488. 77.52 (1) (b) of the statutes is created to read:

17           77.52 (1) (b) For the privilege of selling, licensing, leasing, or renting  
18 audiovisual works, finished artwork, literary works, and audio works that are  
19 delivered electronically to a purchaser, a tax is imposed on all retailers at the rate  
20 of 5 percent of the gross receipts from the sale, license, lease, or rental of the  
21 audiovisual works, finished artwork, literary works, and audio works.

22           \*-1796/3.11\* SECTION 1489. 77.52 (1) (b) of the statutes, as ~~affected~~ by 2005  
23 Wisconsin Act .... (this act), is repealed and recreated to read:

24           77.52 (1) (b) For the privilege of selling, licensing, leasing, or renting  
25 audiovisual works, finished artwork, literary works, and audio works that are

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1 delivered electronically to a purchaser, a tax is imposed on all retailers at the rate  
2 of 5 percent of the sales price from the sale, license, lease, or rental of the audiovisual  
3 works, finished artwork, literary works, and audio works.

\*\*\*\*NOTE: This is reconciled s. 77.52 (1) (b). This SECTION has been affected by  
LRB-0303/2.

4 **\*-0303/4.55\* SECTION 1490.** 77.52 (1) (c) of the statutes is created to read:

5 77.52 (1) (c) For the privilege of selling at retail coins and stamps of the United  
6 States that are sold or traded as collectors' items above their face value, a tax is  
7 imposed on all retailers at the rate of 5 percent of the sales price from the sale of such  
8 coins and stamps.

9 **\*-0303/4.56\* SECTION 1491.** 77.52 (1) (d) of the statutes is created to read:

10 77.52 (1) (d) For the privilege of leasing property that is affixed to real property,  
11 a tax is imposed on all retailers at the rate of 5 percent of the sales price from the lease  
12 of such property, if the lessor has the right to remove the leased property upon breach  
13 or termination of the lease agreement, unless the lessor of the leased property is also  
14 the lessor of the real property to which the leased property is affixed.

15 **\*-0303/4.57\* SECTION 1492.** 77.52 (2) (intro.) of the statutes is amended to  
16 read:

17 77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing  
18 the services described under par. (a) at retail in this state to consumers or users, a  
19 tax is imposed upon all persons selling, licensing, performing or furnishing the  
20 services at the rate of 5% of the ~~gross receipts~~ sales price from the sale, license,  
21 performance or furnishing of the services.

22 **\*-0303/4.58\* SECTION 1493.** 77.52 (2) (a) 5. a. of the statutes is amended to  
23 read:

1           77.52 (2) (a) 5. a. The sale of telecommunications services, except services  
2 subject to 4 USC 116 to 126, as amended by P.L. 106-252, that either originate or  
3 terminate in this state; except services that are obtained by means of a toll-free  
4 number, that originate outside this state and that terminate in this state; and are  
5 charged to a service address in this state, regardless of the location where that charge  
6 is billed or paid; and the sale of the rights to purchase telecommunications services,  
7 including purchasing reauthorization numbers, by paying in advance and by using  
8 an access number and authorization code a prepaid calling service as defined in s.  
9 77.522 (3) (a) 11., except sales that are subject to subd. 5. b.

10           \***-0303/4.59\*** SECTION 1494. 77.52 (2) (a) 10. of the statutes is amended to read:

11           77.52 (2) (a) 10. Except for installing or applying tangible personal property  
12 which, when installed or applied, will constitute an addition or capital improvement  
13 of real property, the repair, service, alteration, fitting, cleaning, painting, coating,  
14 towing, inspection, and maintenance of all items of tangible personal property  
15 unless, at the time of such repair, service, alteration, fitting, cleaning, painting,  
16 coating, towing, inspection, or maintenance, a sale in this state of the type of property  
17 repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or  
18 maintained would have been exempt to the customer from sales taxation under this  
19 subchapter, other than the exempt sale of a motor vehicle or truck body to a  
20 nonresident under s. 77.54 (5) (a) and other than nontaxable sales outside this state  
21 under s. 77.51 (14r) 77.522. For purposes of this paragraph, the following items shall

22 be considered to have retained their character as tangible personal property,  
23 regardless of the extent to which any such item is fastened to, connected with, or built  
24 into real property: furnaces, boilers, stoves, ovens, including associated hoods and  
25 exhaust systems, heaters, air conditioners, humidifiers, dehumidifiers,

*or unless the repair, service, alteration, fitting, cleaning,  
painting, coating, towing, inspection, or maintenance is provided under a  
contract that is subject to tax <sup>(under)</sup> subd. 13M*

1 refrigerators, coolers, freezers, water pumps, water heaters, water conditioners and  
2 softeners, clothes washers, clothes dryers, dishwashers, garbage disposal units,  
3 radios and radio antennas, incinerators, television receivers and antennas, record  
4 players, tape players, jukeboxes, vacuum cleaners, furniture and furnishings,  
5 carpeting and rugs, bathroom fixtures, sinks, awnings, blinds, gas and electric logs,  
6 heat lamps, electronic dust collectors, grills and rotisseries, bar equipment,  
7 intercoms, recreational, sporting, gymnasium and athletic goods and equipment  
8 including by way of illustration but not of limitation bowling alleys, golf practice  
9 equipment, pool tables, punching bags, ski tows, and swimming pools; equipment in  
10 offices, business facilities, schools, and hospitals but not in residential facilities  
11 including personal residences, apartments, long-term care facilities, as defined  
12 under s. 16.009 (1) (em), state institutions, as defined under s. 101.123 (1) (i), Type  
13 1 secured correctional facilities, as defined in s. 938.02 (19), or similar facilities  
14 including, by way of illustration but not of limitation, lamps, chandeliers, and fans,  
15 venetian blinds, canvas awnings, office and business machines, ice and milk  
16 dispensers, beverage-making equipment, vending machines, soda fountains, steam  
17 warmers and tables, compressors, condensing units and evaporative condensers,  
18 pneumatic conveying systems; laundry, dry cleaning, and pressing machines, power  
19 tools, burglar alarm and fire alarm fixtures, electric clocks and electric signs.  
20 “Service” does not include services performed by veterinarians. The tax imposed  
21 under this subsection applies to the repair, service, alteration, fitting, cleaning,  
22 painting, coating, towing, inspection, or maintenance of items listed in this  
23 subdivision, regardless of whether the installation or application of tangible  
24 personal property related to the items is an addition to or a capital improvement of  
25 real property, except that the tax imposed under this subsection does not apply to the

1 original installation or the complete replacement of an item listed in this subdivision,  
2 if such installation or replacement is a real property construction activity under s.

3 77.51 (2). *VK*

4 ~~INSERT 557-3~~ \*-1796/3.12\* SECTION 1495. 77.52 (2m) (a) of the statutes is amended to read:

5 77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part  
6 of the charge for the service may be deemed a sale or rental of tangible personal  
7 property, audiovisual works, finished artwork, literary works, or audio works if the  
8 property, audiovisual work, finished artwork, literary work, or audio work  
9 transferred by the service provider is incidental to the selling, performing or  
10 furnishing of the service, except as provided in par. (b).

11 \*-1796/3.13\* SECTION 1496. 77.52 (2m) (b) of the statutes is amended to read:

12 77.52 (2m) (b) With respect to the services subject to tax under sub. (2) (a) 7.,  
13 10., 11. and 20., all property, audiovisual works, finished artwork, literary works, or  
14 audio works physically transferred to the customer in conjunction with the selling,  
15 performing or furnishing of the service is a sale of tangible personal property,  
16 audiovisual works, finished artwork, literary works, or audio works separate from  
17 the selling, performing or furnishing of the service.

18 \*-0303/4.60\* SECTION 1497. 77.52 (3m) of the statutes is repealed.

19 \*-0303/4.61\* SECTION 1498. 77.52 (6) of the statutes is repealed.

20 \*-0303/4.62\* SECTION 1499. 77.52 (7) of the statutes is amended to read:

21 77.52 (7) Every person desiring to operate as a seller within this state who  
22 holds a valid certificate under s. 73.03 (50) shall file with the department an  
23 application for a permit for each place of operations. Every application for a permit  
24 shall be made upon a form prescribed by the department and shall set forth the name  
25 under which the applicant intends to operate, the location of the applicant's place of

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sec #, w, 77.52(2)(a) 13m.

77.52(2)<sup>(b)</sup>(a) 13m. The sale of contracts, including

service contracts, maintenance agreements, and warranties, that provide, in whole or in part, for the future performance of or payment for the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance of tangible personal property, unless the sale, lease, or rental in this state of the property to which the contract relates is or was exempt, to the purchaser of the contract, from taxation under this subchapter.

1 operations, and the other information that the department requires. ~~The~~ Except as  
2 provided in sub. (7b), the application shall be signed by the owner if a sole proprietor;  
3 in the case of sellers other than sole proprietors, the application shall be signed by  
4 the person authorized to act on behalf of such sellers. A nonprofit organization that  
5 has ~~gross receipts~~ a sales price taxable under s. 77.54 (7m) shall obtain a seller's  
6 permit and pay taxes under this subchapter on all taxable ~~gross receipts~~ sales prices  
7 received after it is required to obtain that permit. If that organization becomes  
8 eligible later for the exemption under s. 77.54 (7m) except for its possession of a  
9 seller's permit, it may surrender that permit.

10 \*~~0303/4.63~~\* SECTION 1500. 77.52 (7b) of the statutes is created to read:

11 77.52 (7b) Any person who may register under sub. (7) may designate an agent,  
12 as defined in s. 77.524 (1) (ag), to register with the department under sub. (7), in the  
13 manner prescribed by the department.

14 \*~~0303/4.64~~\* SECTION 1501. 77.52 (13) of the statutes is amended to read:

15 77.52 (13) For the purpose of the proper administration of this section and to  
16 prevent evasion of the sales tax it shall be presumed that all receipts are subject to  
17 the tax until the contrary is established. The burden of proving that a sale of tangible  
18 personal property or services is not a taxable sale at retail is upon the person who  
19 makes the sale unless that person takes from the purchaser ~~a~~ an electronic or paper  
20 certificate, in a manner prescribed by the department, to the effect that the property  
21 or service is purchased for resale or is otherwise exempt, except that no certificate  
22 is required for sales of cattle, sheep, goats, and pigs that are sold at an animal  
23 market, as defined in s. 95.68 (1) (ag), and no certificate is required for sales of  
24 commodities, as defined in 7 USC 2, that are consigned for sale in a warehouse in or  
25 from which the commodity is deliverable on a contract for future delivery subject to

1 the rules of a commodity market regulated by the U.S. commodity futures trading  
2 commission if upon the sale the commodity is not removed from the warehouse the  
3 sale of tangible personal property that is exempt under s. 77.54 (7), (7m), (8), (10),  
4 (11), (14), (14b), (15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42), (44),  
5 (45), and (46), except as provided in s. 77.54 (30) (e) and (f).

6 \*~~0303/4.65~~\* SECTION 1502. 77.52 (14) (a) (intro.) and 1. and (b) of the statutes  
7 are consolidated, renumbered 77.52 (14) and amended to read:

8 77.52 (14) The certificate referred to in sub. (13) relieves the seller from the  
9 burden of proof only if any of the following is true: ~~1. The~~ the certificate is taken in  
10 good faith from a person who is engaged as a seller of tangible personal property or  
11 taxable services and who holds the permit provided for in sub. (9) and who, at the  
12 time of purchasing that the person purchases the tangible personal property or  
13 services, intends to sell it in the regular course of operations or is unable to ascertain  
14 at the time of purchase whether the property or service will be sold or will be used  
15 for some other purpose. ~~(b). The certificate under sub. (13) shall not relieve the seller~~  
16 of the burden of proof if the sale is sourced to this state under s. 77.522 (1) (b) 1. and  
17 the claimed exemption is not provided for under this subchapter or if the seller  
18 fraudulently fails to collect sales tax or solicits the purchaser to claim an unlawful  
19 exemption. The certificate referred to in sub. (13) shall be signed by and bear the  
20 name and address of provide information that identifies the purchaser, and shall  
21 indicate the general character of the tangible personal property or service sold by the  
22 purchaser and the basis for the claimed exemption and a paper certificate shall be  
23 signed by the purchaser. The certificate shall be in such form as the department  
24 prescribes by rule.

25 \*~~0303/4.66~~\* SECTION 1503. 77.52 (14) (a) 2. of the statutes is repealed.

1           \*~~0303/4.67~~\* SECTION 1504. 77.52 (15) of the statutes is amended to read:

2           77.52 (15) If a purchaser who ~~gives a resale certificate~~ purchases tangible  
3 personal property or taxable services without paying a sales tax or use tax on such  
4 purchase because such property or services were for resale makes any use of the  
5 property or services other than retention, demonstration or display while holding it  
6 the property or services for sale, lease or rental in the regular course of the  
7 purchaser's operations, the use shall be taxable to the purchaser under s. 77.53 as  
8 of the time that the property is or services are first used by the purchaser, and the  
9 sales purchase price of the property or services to the purchaser shall be the measure  
10 of the tax. ~~Only when there is an unsatisfied use tax liability on this basis because~~  
11 ~~the seller has provided incorrect information about that transaction to the~~  
12 ~~department shall the seller be liable for sales tax with respect to the sale of the~~  
13 ~~property to the purchaser.~~

14           \*~~0303/4.68~~\* SECTION 1505. 77.522 of the statutes is created to read:

15           **77.522 Sourcing.** (1) GENERAL. (a) In this section:

16           1. "Direct mail form" means a form for direct mail prescribed by the  
17 department.

18           2. "Multiple-points-of-use exemption form" means the  
19 multiple-points-of-use exemption form, as prescribed by the department.

20           3. "Product" includes tangible personal property, digital goods, and services.

21           4. "Receive" means taking possession of tangible personal property; making  
22 first use of services; or taking possession or making first use of digital goods,  
23 whichever comes first. "Receive" does not include a shipping company taking  
24 possession of tangible personal property on a purchaser's behalf.

25           5. "Transportation equipment" means all of the following:

1           a. Locomotives and railcars that are used to carry persons or property in  
2 interstate commerce.

3           b. Trucks and truck tractors that have a gross vehicle weight rating of 10,001  
4 pounds or greater, trailers, semitrailers, and passenger buses, if such vehicles are  
5 registered under the International Registration Plan and operated under the  
6 authority of a carrier that is authorized by the federal government to carry persons  
7 or property in interstate commerce.

8           c. Aircraft that is operated by air carriers that are authorized by the federal  
9 government or a foreign authority to carry persons or property in interstate or  
10 foreign commerce.

11           d. Containers that are designed for use on the vehicles described in subd. 5. a.  
12 to c. and component parts attached to or secured on such vehicles.

13           (b) Except as provided in pars. (c) to (d) and subs. (2), (3), and (4), the location  
14 of a sale is determined as follows:

15           1. If a purchaser receives the product at a seller's business location, the sale  
16 occurs at that business location.

17           2. If a purchaser does not receive the product at a seller's business location, the  
18 sale occurs at the location where the purchaser, or the purchaser's designated donee,  
19 receives the product, including the location indicated by the instructions known to  
20 the seller for delivery to the purchaser or the purchaser's designated donee.

21           3. If the location of a sale of a product cannot be determined under subs. 1. and  
22 2., the sale occurs at the purchaser's address as indicated by the seller's business  
23 records, if the records are maintained in the ordinary course of the seller's business  
24 and if using that address to establish the location of a sale is not in bad faith.

1           4. If the location of a sale of a product cannot be determined under subds. 1. to  
2           3., the sale occurs at the purchaser's address as obtained during the consummation  
3           of the sale, including the address indicated on the purchaser's payment instrument,  
4           if no other address is available and if using that address is not in bad faith.

5           5. If the location of a sale of a product cannot be determined under subds. 1. to  
6           4., the location of the sale is determined as follows:

7           a. If the item sold is tangible personal property, the sale occurs at the location  
8           from which the tangible personal property is shipped.

9           b. If the item sold is a digital good, or computer software delivered  
10          electronically, the sale occurs at the location from which the digital good or computer  
11          software was first available for transmission by the seller.

12          c. If a service is sold, the sale occurs at the location from which the service was  
13          provided.

14          (c) The sale of direct mail occurs at the location from which the direct mail is  
15          shipped, if the purchaser does not provide to the seller a direct pay permit, a direct  
16          mail form, or other information that indicates the appropriate taxing jurisdiction to  
17          which the direct mail is delivered to the ultimate recipients. If the purchaser  
18          provides a direct mail form or direct payment to the seller, the purchaser shall pay  
19          or remit, as appropriate, to the department the tax imposed under s. 77.53 (1) on all  
20          purchases for which the tax is due and the seller is relieved from liability for  
21          collecting such tax. A direct mail form provided to a seller under this paragraph shall  
22          remain effective for all sales by the seller who received the form to the purchaser who  
23          provided the form, unless the purchaser revokes the form in writing and provides  
24          such revocation to the seller.

1 (d) 1. A business purchaser who purchases a service, digital good, or computer  
2 software that is delivered electronically, who does not hold a direct pay permit under  
3 s. 77.52 (17m), and who knows at the time of purchase that the service, good, or  
4 software will be concurrently available for use in more than one taxing jurisdiction  
5 shall provide a multiple-points-of-use exemption form to the seller, in conjunction  
6 with the purchase, and shall pay or remit, as appropriate, to the department the tax  
7 imposed under s. 77.53 (1) on all purchases for which the tax is due.

8 2. To apportion the amount of the tax due multiple taxing jurisdictions, a  
9 purchaser who provides an exemption form under subd. 1. shall use any reasonable,  
10 consistent, and uniform apportionment method supported by the purchaser's  
11 business records that exist at the time of the sale.

12 3. An exemption form provided under subd. 1. shall remain effective for all sales  
13 by the seller who received the form to the purchaser who provided the form, unless  
14 the purchaser revokes the form in writing and provides such a revocation to the  
15 seller.

16 4. A business purchaser who purchases a service, digital good, or computer  
17 software that is delivered electronically, who holds a direct pay permit under s. 77.52  
18 (17m), and who knows at the time of purchase that the service, good, or software will  
19 be concurrently available for use in more than one taxing jurisdiction is not required  
20 to provide a multiple-points-of-use exemption form to the seller, but shall collect,  
21 pay, or remit, as appropriate, to the department the tax imposed under s. 77.53 (1)  
22 and shall use the apportionment method described under ~~par (b)~~ to apportion the tax  
23 due multiple taxing jurisdictions.

subd. 2.

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1           5. A seller who receives a multiple-points-of-use exemption form under this  
2 paragraph is relieved from liability for collecting the tax imposed under s. 77.53 (1)  
3 on purchases related to the multiple-points-of-use exemption form.

4           **(2) LEASE OR RENTAL.** (a) Except as provided in pars. (b) and (c), with regards  
5 to the first or only payment on the lease or rental, the lease or rental of tangible  
6 personal property occurs at the location determined under sub. (1) (b). If the property  
7 is moved from the place where the property was initially delivered, the subsequent  
8 periodic payments on the lease or rental occur at the property's primary location as  
9 indicated by an address for the property that is provided by the lessee and that is  
10 available to the lessor in records that the lessor maintains in the ordinary course of  
11 the lessor's business, if the use of such an address does not constitute bad faith. The  
12 location of a lease or rental as determined under this paragraph shall not be altered  
13 by any intermittent use of the property at different locations.

14           (b) The lease or rental of motor vehicles, trailers, semitrailers, and aircraft,  
15 that are not transportation equipment, occurs at the primary location of such motor  
16 vehicles, trailers, semitrailers, or aircraft as indicated by an address for the property  
17 that is provided by the lessee and that is available to the lessor in records that the  
18 lessor maintains in the ordinary course of the lessor's business, if the use of such an  
19 address does not constitute bad faith, except that a lease or rental under this  
20 paragraph that requires only one payment occurs at the location determined under  
21 sub. (1) (b). The location of a lease or rental as determined under this paragraph shall  
22 not be altered by any intermittent use of the property at different locations.

23           (c) The lease or rental of transportation equipment occurs at the location  
24 determined under sub. (1) (b).

1 (d) A license of tangible personal property shall be treated as a lease or rental  
2 of tangible personal property under this subsection.

3 (3) TELECOMMUNICATIONS. (a) In this subsection:

4 1. “Air-to-ground radiotelephone service” means a radio service in which  
5 common carriers are authorized to offer and provide radio telecommunications  
6 service for hire to subscribers in aircraft.

7 2. “Call-by-call basis” means any method of charging for telecommunications  
8 services by which the price of such services is measured by individual calls.

9 3. “Communications channel” means a physical or virtual path of  
10 communications over which signals are transmitted between or among customer  
11 channel termination points.

12 4. “Customer” means a person who enters into a contract with a seller of  
13 telecommunications services or, in any transaction for which the end user is not the  
14 person who entered into a contract with the seller of telecommunications services,  
15 the end user of the telecommunications services. “Customer” does not include a  
16 person who resells telecommunications services or, for mobile telecommunications  
17 services, a serving carrier under an agreement to serve a customer outside the home  
18 service provider’s licensed service area.

19 5. “Customer channel termination point” means the location where a customer  
20 inputs or receives communications.

21 6. “End user” means an individual who uses a telecommunications service.

22 7. “Home service provider” means a home service provider under section 124  
23 (5) of P.L. 106–252.

24 8. “Mobile telecommunications service” means a mobile telecommunications  
25 service under 4 USC 116 to 126, as amended by P.L. 106–252.

1           9. “Place of primary use” means place of primary use, as determined under 4  
2 USC 116 to 126, as amended by P.L. 106–252.

3           10. “Postpaid calling service” means a telecommunications service that is  
4 obtained by paying for it on a call–by–call basis using a bankcard, travel card, credit  
5 card, debit card, or similar method, or by charging it to a telephone number that is  
6 not associated with the location where the telecommunications service originates or  
7 terminates. “Postpaid calling service” includes a service that would otherwise be a  
8 prepaid calling service except that the service provided to the customer is not  
9 exclusively a telecommunications service.

10           11. “Prepaid calling service” means the right to access services that are  
11 exclusively telecommunications services, if that right is paid for in advance of  
12 providing such services, requires using an access number or authorization code to  
13 originate calls, and is sold in predetermined units or dollars that decrease with use  
14 in a known amount.

15           12. “Private communication service” means a telecommunications service that  
16 entitles the customer to exclusive or priority use of a communications channel or  
17 group of communications channels, regardless of the manner in which the  
18 communications channel or group of communications channels is connected, and  
19 includes switching capacity, extension lines, stations, and other associated services  
20 that are provided in connection with the use of such channel or channels.

21           13. “Radio service” means a communication service provided by the use of radio,  
22 including radiotelephone, radiotelegraph, paging, and facsimile service.

23           14. “Radiotelegraph service” means transmitting messages from one place to  
24 another by means of radio.

1           15. “Radiotelephone service” means transmitting sound from one place to  
2 another by means of radio.

3           (b) Except as provided in pars. (d) to (g), the sale of a telecommunications  
4 service that is sold on a call-by-call basis occurs in the taxing jurisdiction for sales  
5 and use tax purposes where the call originates and terminates, in the case of a call  
6 that originates and terminates in the same such jurisdiction, or the taxing  
7 jurisdiction for sales and use tax purposes where the call originates or terminates  
8 and where the service address is located.

9           (c) Except as provided in pars. (d) to (g), the sale of a telecommunications  
10 service that is sold on a basis other than a call-by-call basis occurs at the customer’s  
11 place of primary use.

12           (d) The sale of a mobile telecommunications service, except an air-to-ground  
13 radiotelephone service and a prepaid calling service, occurs at the customer’s place  
14 of primary use.

15           (e) The sale of a postpaid calling service occurs at the location where the signal  
16 of the telecommunications service originates, as first identified by the seller’s  
17 telecommunications system or, if the signal is not transmitted by the seller’s  
18 telecommunications system, by information that the seller received from the seller’s  
19 service provider.

20           (f) The sale of a prepaid calling service occurs at the location determined under  
21 sub. (1) (b), except that, if the service is a mobile telecommunications service and the  
22 location cannot be determined under sub. (1) (b) 1. to 4., the prepaid calling service  
23 occurs at the location determined under sub. (1) (b) 5. c. or at the location associated  
24 with the mobile telephone number, as determined by the seller.

1 (g) 1. The sale of a private communication service for a separate charge related  
2 to a customer channel termination point occurs at the location of the customer  
3 channel termination point.

4 2. The sale of a private communication service in which all customer channel  
5 termination points are located entirely in one taxing jurisdiction for sales and use  
6 tax purposes occurs in the taxing jurisdiction in which the customer channel  
7 termination points are located.

8 3. If the segments are charged separately, the sale of a private communication  
9 service that represents segments of a communications channel between 2 customer  
10 channel termination points that are located in different taxing jurisdictions for sales  
11 and use tax purposes occurs in an equal percentage in both such jurisdictions.

12 4. If the segments are not charged separately, the sale of a private  
13 communication service for segments of a communications channel that is located in  
14 more than one taxing jurisdiction for sales and use tax purposes occurs in each such  
15 jurisdiction in a percentage determined by dividing the number of customer channel  
16 termination points in that jurisdiction by the number of customer channel  
17 termination points in all jurisdictions where segments of the communications  
18 channel are located.

19 (4) FLORISTS. (a) For purposes of this subsection, “retail florist” means a person  
20 engaged in the business of selling cut flowers, floral arrangements, and potted plants  
21 and who prepares such flowers, floral arrangements, and potted plants. “Retail  
22 florist” does not include a person who sells cut flowers, floral arrangements, and  
23 potted plants primarily by mail or via the Internet.

24 (b) The sale of tangible personal property by a retail florist who takes an order  
25 from a purchaser occurs at the location where the retail florist takes the order, if the

1 retail florist forwards the order to another retail florist who is at a location other than  
2 the location of the florist who takes the order and who transfers the tangible personal  
3 property to a person identified by the purchaser.

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

5 ~~\*-0303/4.69\*~~ SECTION 1506. 77.523 (title) of the statutes is repealed.

6 ~~\*-0303/4.70\*~~ SECTION 1507. 77.523 of the statutes is renumbered 77.59 (9p)

7 (a) and amended to read:

8 77.59 (9p) (a) If a customer purchases a service that is subject to 4 USC 116  
9 to 126, as amended by P.L. 106-252, and if the customer believes that the amount  
10 of the tax assessed for the service under this subchapter or the place of primary use  
11 or taxing jurisdiction assigned to the service is erroneous, the customer may request  
12 that the service provider correct the alleged error by sending a written notice to the  
13 service provider. The notice shall include a description of the alleged error, the street  
14 address for the customer's place of primary use of the service, the account name and  
15 number of the service for which the customer seeks a correction, and any other  
16 information that the service provider reasonably requires to process the request.  
17 Within 60 days from the date that a service provider receives a request under this  
18 section paragraph, the service provider shall review its records to determine the  
19 customer's taxing jurisdiction. If the review indicates that there is no error as  
20 alleged, the service provider shall explain the findings of the review in writing to the  
21 customer. If the review indicates that there is an error as alleged, the service  
22 provider shall correct the error and shall refund or credit the amount of any tax  
23 collected erroneously, along with the related interest, as a result of the error from the  
24 customer in the previous 48 months, consistent with s. 77.59 (4). A customer may  
25 take no other action, or commence any action, to correct an alleged error in the

1 amount of the tax assessed under this subchapter on a service that is subject to 4 USC  
2 116 to 126, as amended by P.L. 106–252, or to correct an alleged error in the assigned  
3 place of primary use or taxing jurisdiction, unless the customer has exhausted his  
4 or her remedies under this section paragraph.

5 \*–0303/4.71\* SECTION 1508. 77.524 (1) (a) of the statutes is renumbered 77.524  
6 (1) (am).

7 \*–0303/4.72\* SECTION 1509. 77.524 (1) (ag) of the statutes is created to read:  
8 77.524 (1) (ag) “Agent” means a person appointed by a seller to represent the  
9 seller before the states that are signatories to the agreement, as defined in 77.65 (2)  
10 (a).

11 \*–0303/4.73\* SECTION 1510. 77.524 (1) (b) of the statutes is renumbered 77.51  
12 (1g).

13 \*–1796/3.14\* SECTION 1511. 77.53 (1) of the statutes is amended to read:  
14 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed  
15 on the use or consumption in this state of taxable services under s. 77.52 purchased  
16 from any retailer, at the rate of 5% of the sales price of those services; on the storage,  
17 use or other consumption in this state of tangible personal property purchased from  
18 any retailer, at the rate of 5% of the sales price of that property; on the storage, use,  
19 or other consumption of audiovisual works, finished artwork, literary works, and  
20 audio works purchased from any retailer and delivered electronically to the  
21 purchaser, at the rate of 5% of the sales price of such items; and on the storage, use  
22 or other consumption of tangible personal property manufactured, processed or  
23 otherwise altered, in or outside this state, by the person who stores, uses or consumes  
24 it, from material purchased from any retailer, at the rate of 5% of the sales price of  
25 that material.

1           \***-0303/4.74\*** SECTION 1512. 77.53 (1) of the statutes, as affected by 2005  
2 Wisconsin Act .... (this act), is repealed and recreated to read:

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

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

16           \***-0743/1.1\*** SECTION 1513. 77.53 (1r) of the statutes is created to read:

17           77.53 (1r) Notwithstanding any other provision in subchs. III and V, a retailer  
18 not engaged in business in this state and making sales of tangible personal property  
19 or taxable services for delivery into this state or with direct or indirect knowledge  
20 that the property or service is intended for storage, use, or other consumption in this  
21 state shall, at the time of making a sale or, if the storage, use, or other consumption  
22 of the tangible personal property or taxable service is not then taxable, at the time  
23 that the storage, use, or other consumption of the property or service becomes taxable

1 under this section, collect the tax from the purchaser, as authorized under federal  
2 law, and give the purchaser a receipt in the manner and form prescribed by the  
3 department.

4 \*~~0303/4.75~~\* SECTION 1514. 77.53 (3) of the statutes is amended to read:

5 77.53 (3) Every retailer engaged in business in this state and making sales of  
6 tangible personal property or taxable services ~~for delivery into this state or with~~  
7 ~~knowledge directly or indirectly that the property or service is intended for storage,~~  
8 ~~use or other consumption in that are sourced to this state under s. 77.522,~~ shall, at  
9 the time of making the sales ~~or, if the storage, use or other consumption of the~~  
10 ~~tangible personal property or taxable service is not then taxable under this section,~~  
11 ~~at the time the storage, use or other consumption becomes taxable,~~ collect the tax  
12 from the purchaser and give to the purchaser a receipt in the manner and form  
13 prescribed by the department.

14 \*~~0303/4.76~~\* SECTION 1515. 77.53 (4) of the statutes is repealed.

15 \*~~0303/4.77~~\* SECTION 1516. 77.53 (9) of the statutes is amended to read:

16 77.53 (9) Every retailer selling tangible personal property or taxable services  
17 for storage, use or other consumption in this state shall register with the department  
18 and obtain a certificate under s. 73.03 (50) and give the name and address of all  
19 agents operating in this state, the location of all distribution or sales houses or offices  
20 or other places of business in this state, the standard industrial code classification  
21 of each place of business in this state and the other information that the department  
22 requires. Any person who may register under this subsection may designate an  
23 agent, as defined in s. 77.524 (1) (ag), to register with the department under this  
24 subsection, in the manner prescribed by the department.

1           \*~~0303/4.78~~\* SECTION 1517. 77.53 (9m) of the statutes is renumbered 77.53  
2 (9m) (a).

3           \*~~0303/4.79~~\* SECTION 1518. 77.53 (9m) (b) of the statutes is created to read:

4           77.53 (9m) (b) Any person who may register under par. (a) may designate an  
5 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),  
6 in the manner prescribed by the department.

7           \*~~0303/4.80~~\* SECTION 1519. 77.53 (9m) (c) of the statutes is created to read:

8           77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise  
9 required to collect any tax imposed by this subchapter shall not be used as a factor  
10 in determining whether the seller has nexus with this state for any tax at any time.

11          \*~~0303/4.81~~\* SECTION 1520. 77.53 (10) of the statutes is amended to read:

12          77.53 (10) For the purpose of the proper administration of this section and to  
13 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that  
14 tangible personal property or taxable services sold by any person for delivery in this  
15 state is sold for storage, use, or other consumption in this state until the contrary is  
16 established. The burden of proving the contrary is upon the person who makes the  
17 sale unless that person takes from the purchaser ~~a~~ an electronic or paper certificate,  
18 in a manner prescribed by department, to the effect that the property or taxable  
19 service is purchased for resale, or otherwise exempt from the tax; ~~except that no~~  
20 ~~certificate is required for sales of cattle, sheep, goats, and pigs that are sold at an~~  
21 ~~animal market, as defined in s. 95.68 (1) (ag), and no certificate is required for sales~~  
22 ~~of commodities, as defined in 7 USC 2, that are consigned for sale in a warehouse in~~  
23 ~~or from which the commodity is deliverable on a contract for future delivery subject~~  
24 ~~to the rules of a commodity market regulated by the U.S. commodity futures trading~~  
25 ~~commission if upon the sale the commodity is not removed from the warehouse the~~

1 sale of tangible personal property that is exempt under s. 77.54 (7), (7m), (8), (10),  
2 (11), (14), (14b), (15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42), (44),  
3 (45), and (46), except as provided in s. 77.54 (30) (e) and (f).

4 \***-0303/4.82\*** SECTION 1521. 77.53 (11) of the statutes is amended to read:

5 77.53 (11) The certificate referred to in sub. (10) relieves the person selling the  
6 property or service from the burden of proof only if taken in good faith from a person  
7 who is engaged as a seller of tangible personal property or taxable services and who  
8 holds the permit provided for by s. 77.52 (9) and who, at the time of purchasing that  
9 the person purchases the tangible personal property or taxable service, intends to  
10 sell it in the regular course of operations or is unable to ascertain at the time of  
11 purchase whether the property or service will be sold or will be used for some other  
12 purpose, or if taken in good faith from a person claiming exemption. The certificate  
13 under sub. (10) shall not relieve the seller of the burden of proof if the sale is sourced  
14 to this state under s. 77.522 (1) (b) 1. and the claimed exemption is not provided for  
15 under this subchapter or if the seller fraudulently fails to collect sales tax or solicit  
16 the purchaser to claim an unlawful exemption. The certificate shall be signed by and  
17 bear the name and address of provide information that identifies the purchaser and  
18 shall indicate the number of the permit issued to the purchaser, the general  
19 character of tangible personal property or taxable service sold by the purchaser and  
20 the basis for the claimed exemption and a paper certificate shall be signed by the  
21 purchaser. The certificate shall be substantially in the form that the department  
22 prescribes by rule.

23 \***-0303/4.83\*** SECTION 1522. 77.53 (16) of the statutes is amended to read:

24 77.53 (16) If the purchase, rental or lease of tangible personal property or  
25 service subject to the tax imposed by this section was subject to a sales tax by another

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

12 \*–0303/4.84\* SECTION 1523. 77.53 (17) of the statutes is amended to read:

13 77.53 (17) This section does not apply to tangible personal property purchased  
14 outside this state, as determined under s. 77.522, other than motor vehicles, boats,  
15 snowmobiles, mobile homes not exceeding 45 feet in length, trailers, semitrailers,  
16 all-terrain vehicles and airplanes registered or titled or required to be registered or  
17 titled in this state, which is brought into this state by a nondomiciliary for the  
18 person’s own storage, use or other consumption while temporarily within this state  
19 when such property is not stored, used or otherwise consumed in this state in the  
20 conduct of a trade, occupation, business or profession or in the performance of  
21 personal services for wages or fees.

22 \*–0303/4.85\* SECTION 1524. 77.53 (17m) of the statutes is amended to read:

23 77.53 (17m) This section does not apply to a boat purchased in a state  
24 contiguous to this state, as determined under s. 77.522, by a person domiciled in that  
25 state if the boat is berthed in this state’s boundary waters adjacent to the state of the

1 domicile of the purchaser and if the transaction was an exempt occasional sale under  
2 the laws of the state in which the purchase was made.

3 \***-0303/4.86\*** SECTION 1525. 77.53 (17r) (a) of the statutes is amended to read:

4 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

5 \***-0303/4.87\*** SECTION 1526. 77.53 (18) of the statutes is amended to read:

6 77.53 (18) This section does not apply to the storage, use or other consumption  
7 in this state of household goods for personal use or to aircraft, motor vehicles, boats,  
8 snowmobiles, mobile homes, trailers, semitrailers and all-terrain vehicles, for  
9 personal use, purchased by a nondomiciliary of this state outside this state, as  
10 determined under s. 77.522, 90 days or more before bringing the goods or property  
11 into this state in connection with a change of domicile to this state.

12 \***-0303/4.88\*** SECTION 1527. 77.54 (1) of the statutes is amended to read:

13 77.54 (1) The ~~gross receipts~~ sales price from the sale of and the storage, use or  
14 other consumption in this state of tangible personal property and services the ~~gross~~  
15 ~~receipts~~ sales price from the sale of which, or the storage, use or other consumption  
16 of which, this state is prohibited from taxing under the constitution or laws of the  
17 United States or under the constitution of this state.

18 \***-0303/4.89\*** SECTION 1528. 77.54 (2) of the statutes is amended to read:

19 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or  
20 other consumption of tangible personal property becoming an ingredient or  
21 component part of an article of tangible personal property or which is consumed or  
22 destroyed or loses its identity in the manufacture of tangible personal property in  
23 any form destined for sale, except as provided in sub. (30) (a) 6.

24 \***-0303/4.90\*** SECTION 1529. 77.54 (2m) of the statutes is amended to read:

1           77.54 (2m) The gross receipts sales price from the sales of and the storage, use  
2 or other consumption of tangible personal property or services that become an  
3 ingredient or component of shoppers guides, newspapers or periodicals or that are  
4 consumed or lose their identity in the manufacture of shoppers guides, newspapers  
5 or periodicals, whether or not the shoppers guides, newspapers or periodicals are  
6 transferred without charge to the recipient. In this subsection, “shoppers guides”,  
7 “newspapers” and “periodicals” have the meanings under sub. (15). The exemption  
8 under this subdivision does not apply to advertising supplements that are not  
9 newspapers.

10           \***-0303/4.91\*** SECTION 1530. 77.54 (3) (a) of the statutes is amended to read:

11           77.54 (3) (a) The gross receipts sales price from the sales of and the storage, use  
12 or other consumption of tractors and machines, including accessories, attachments  
13 and parts therefor, used exclusively and directly in the business of farming, including  
14 dairy farming, agriculture, horticulture, floriculture and custom farming services,  
15 but excluding automobiles, trucks, and other motor vehicles for highway use;  
16 excluding personal property that is attached to, fastened to, connected to or built into  
17 real property or that becomes an addition to, component of or capital improvement  
18 of real property and excluding tangible personal property used or consumed in the  
19 erection of buildings or in the alteration, repair or improvement of real property,  
20 regardless of any contribution that ~~that~~ the personal property makes to the  
21 production process in that building or real property and regardless of the extent to  
22 which that personal property functions as a machine.

23           \***-0303/4.92\*** SECTION 1531. 77.54 (3m) (intro.) of the statutes is amended to  
24 read:

1           77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the  
2 storage, use or other consumption of the following items if they are used exclusively  
3 by the purchaser or user in the business of farming; including dairy farming,  
4 agriculture, horticulture, floriculture and custom farming services:

5           \*~~0303/4.93~~\* SECTION 1532. 77.54 (4) of the statutes is amended to read:

6           77.54 (4) ~~Gross receipts~~ The sales price from the sale of tangible personal  
7 property, and the storage, use or other consumption in this state of tangible personal  
8 property which is the subject of any such sale, by any elementary school or secondary  
9 school, exempted as such from payment of income or franchise tax under ch. 71,  
10 whether public or private.

11           \*~~0303/4.94~~\* SECTION 1533. 77.54 (5) (intro.) of the statutes is amended to  
12 read:

13           77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
14 use or other consumption of:

15           \*~~0303/4.95~~\* SECTION 1534. 77.54 (6) (intro.) of the statutes is amended to  
16 read:

17           77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
18 use or other consumption of:

19           \*~~0297/3.2~~\* SECTION 1535. 77.54 (7m) of the statutes is amended to read:

20           77.54 (7m) Occasional sales of tangible personal property or services, including  
21 ~~but not limited to~~ admissions or tickets to an event; by a neighborhood association,  
22 church, civic group, garden club, social club or similar nonprofit organization; not  
23 involving entertainment for which payment in the aggregate exceeds \$300 \$500 for  
24 performing or as reimbursement of expenses unless access to the event may be  
25 obtained without payment of a direct or indirect admission fee; conducted by the

*JK*  
*not including contracts under*  
*s. 77.52(2)(a) 13m.*

1 organization if the organization is not engaged in a trade or business and is not  
2 required to have a seller's permit. For purposes of this subsection, an organization  
3 is engaged in a trade or business and is required to have a seller's permit if its sales  
4 of tangible personal property and services, not including sales of tickets to events,  
5 and its events occur on more than 20 days during the year, unless its receipts do not  
6 exceed \$15,000 \$25,000 during the year. The exemption under this subsection does  
7 not apply to gross receipts from the sale of bingo supplies to players or to the sale,  
8 rental or use of regular bingo cards, extra regular cards and special bingo cards.

9 \***-0303/4.96\*** SECTION 1536. 77.54 (8) of the statutes is amended to read:

10 77.54 (8) Charges for interest, ~~financing or insurance~~ where such charges are  
11 separately set forth upon the invoice given by the seller to the purchaser.

12 \***-0303/4.97\*** SECTION 1537. 77.54 (9) of the statutes is amended to read:

13 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to  
14 public and private elementary and secondary school activities, where the entire net  
15 proceeds therefrom are expended for educational, religious or charitable purposes.

16 \***-0303/4.98\*** SECTION 1538. 77.54 (9a) (intro.) of the statutes is amended to  
17 read:

18 77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage  
19 by, use by or other consumption of tangible personal property and taxable services  
20 by:

21 \***-0303/4.99\*** SECTION 1539. 77.54 (10) of the statutes is amended to read:

22 77.54 (10) The ~~gross receipts~~ sales price from the sale of all admission fees,  
23 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees  
24 to any museum operated by a nonprofit corporation under a lease agreement with  
25 the state historical society.

## SECTION 1540

1           \*–0303/4.100\* SECTION 1540. 77.54 (11) of the statutes is amended to read:

2           77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use  
3 or other consumption in this state of motor vehicle fuel, general aviation fuel or  
4 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or  
5 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel  
6 in operating a motor vehicle upon the public highways.

7           \*–0303/4.101\* SECTION 1541. 77.54 (12) of the statutes is amended to read:

8           77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use  
9 or other consumption in this state of rail freight or passenger cars, locomotives or  
10 other rolling stock used in railroad operations, or accessories, attachments, parts,  
11 lubricants or fuel therefor.

12           \*–0303/4.102\* SECTION 1542. 77.54 (13) of the statutes is amended to read:

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

17           \*–0303/4.103\* SECTION 1543. 77.54 (14) (intro.) of the statutes is amended to  
18 read:

19           77.54 (14) (intro.) The ~~gross receipts~~ sales price from the sales of and the  
20 storage, use, or other consumption in this state of ~~medieines~~ drugs that are any of  
21 the following:

22           \*–0303/4.104\* SECTION 1544. 77.54 (14) (a) of the statutes is amended to read:

23           77.54 (14) (a) Prescribed for the treatment of a human being by a person  
24 authorized to prescribe the ~~medieines~~ drugs, and dispensed on prescription filled by  
25 a registered pharmacist in accordance with law.

1           \***-0303/4.105**\* SECTION 1545. 77.54 (14) (b) of the statutes is amended to read:  
2           77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist  
3 to a patient who is a human being for treatment of the patient.

4           \***-0303/4.106**\* SECTION 1546. 77.54 (14) (f) of the statutes is amended to read:  
5           77.54 (14) (f) Furnished without charge to a physician, surgeon, nurse  
6 anesthetist, advanced practice nurse, osteopath, dentist who is licensed under ch.  
7 447, podiatrist who is licensed under ch. 448, or optometrist who is licensed under  
8 ch. 449 if the ~~medicine~~ drug may not be dispensed without a prescription.

9           \***-0303/4.107**\* SECTION 1547. 77.54 (14b) of the statutes is created to read:  
10          77.54 (14b) The sales price from the sales of and the storage, use, or other  
11 consumption of bandages, dressings, syringes, and similar items that are bundled  
12 together with drugs that are exempt under sub. (14) for sale by the seller as a single  
13 product or piece of merchandise.

14          \***-0303/4.108**\* SECTION 1548. 77.54 (14g) of the statutes is repealed.

15          \***-0303/4.109**\* SECTION 1549. 77.54 (14s) of the statutes is repealed.

16          \***-0303/4.110**\* SECTION 1550. 77.54 (15) of the statutes is amended to read:  
17          77.54 (15) The ~~gross receipts~~ sales price from the sale of and the storage, use  
18 or other consumption of all newspapers, of periodicals sold by subscription and  
19 regularly issued at average intervals not exceeding 3 months, or issued at average  
20 intervals not exceeding 6 months by an educational association or corporation sales  
21 to which are exempt under sub. (9a) (f), of controlled circulation publications sold to  
22 commercial publishers for distribution without charge or mainly without charge or  
23 regularly distributed by or on behalf of publishers without charge or mainly without  
24 charge to the recipient and of shoppers guides which distribute no less than 48 issues  
25 in a 12-month period. In this subsection, “shoppers guide” means a community

## SECTION 1550

1 publication delivered, or attempted to be delivered, to most of the households in its  
2 coverage area without a required subscription fee, which advertises a broad range  
3 of products and services offered by several types of businesses and individuals. In  
4 this subsection, “controlled circulation publication” means a publication that has at  
5 least 24 pages, is issued at regular intervals not exceeding 3 months, that devotes  
6 not more than 75% of its pages to advertising and that is not conducted as an  
7 auxiliary to, and essentially for the advancement of, the main business or calling of  
8 the person that owns and controls it.

9       \***-0303/4.111**\* SECTION 1551. 77.54 (16) of the statutes is amended to read:

10       77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use  
11 or other consumption of fire trucks and fire fighting equipment, including  
12 accessories, attachments, parts and supplies therefor, sold to volunteer fire  
13 departments.

14       \***-0303/4.112**\* SECTION 1552. 77.54 (17) of the statutes is amended to read:

15       77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use  
16 or other consumption of water, that is not food and food ingredient, when delivered  
17 through mains.

18       \***-0303/4.113**\* SECTION 1553. 77.54 (18) of the statutes is amended to read:

19       77.54 (18) When the sale, lease or rental of a service or property that was  
20 previously exempt or not taxable under this subchapter becomes taxable, and the  
21 service or property is furnished under a written contract by which the seller is  
22 unconditionally obligated to provide the service or property for the amount fixed  
23 under the contract, the seller is exempt from sales or use tax on the ~~gross receipts~~  
24 sales price for services or property provided until the contract is terminated,  
25 extended, renewed or modified. However, from the time the service or property

1 becomes taxable until the contract is terminated, extended, renewed or modified the  
2 user is subject to use tax, measured by the sales purchase price, on the service or  
3 property purchased under the contract.

4 \*~~0303/4.114~~\* SECTION 1554. 77.54 (20) of the statutes, as affected by 2005  
5 Wisconsin Y... (this act), is repealed. ACT B

\*\*\*NOTE: This is reconciled s. 77.54 (20). This SECTION has been affected by  
LRB-0303/2 and LRB-0404/3.

6 \*~~0404/4.113~~\* SECTION 1555. 77.54 (20) (c) 4. of the statutes is amended to  
7 read:

8 77.54 (20) (c) 4. Taxable sales do not include meals, food, food products, or  
9 beverages sold by hospitals, sanatoriums, nursing homes, retirement homes,  
10 community-based residential facilities, as defined in s. 50.01 (1g), or day care centers  
11 registered licensed under ch. 48 49 and served at a hospital, sanatorium, nursing  
12 home, retirement home, community-based residential facility, or day care center. In  
13 this subdivision "retirement home" means a nonprofit residential facility where 3 or  
14 more unrelated adults or their spouses have their principal residence and where  
15 support services, including meals from a common kitchen, are available to residents.  
16 Taxable sales do not include meals, food, food products, or beverages sold to the  
17 elderly or handicapped by persons providing "mobile meals on wheels".

18 \*~~0303/4.115~~\* SECTION 1556. 77.54 (20m) of the statutes is repealed.

19 \*~~0303/4.116~~\* SECTION 1557. 77.54 (20n) of the statutes is created to read:

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

## SECTION 1557

1 (b) The sales price from the sale of and the storage, use, or other consumption  
2 of food and food ingredients, except soft drinks, sold by hospitals, sanatoriums,  
3 nursing homes, retirement homes, community-based residential facilities, as  
4 defined in s. 50.01 (1g), or day care centers registered under ch. 48, including  
5 prepared food that is sold to the elderly or handicapped by persons providing mobile  
6 meals on wheels. In this paragraph, “retirement home” means a nonprofit  
7 residential facility where 3 or more unrelated adults or their spouses have their  
8 principal residence and where support services, including meals from a common  
9 kitchen, are available to residents.

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

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

18 2. A national football league team.

19 \*~~0303/4.117~~\* SECTION 1558. 77.54 (20r) of the statutes is created to read:

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

25 \*~~0303/4.118~~\* SECTION 1559. 77.54 (21) of the statutes is amended to read:

1           77.54 (21) The ~~gross receipts~~ sales price from the sales of and the storage, use  
2 or other consumption of caskets and burial vaults for human remains.

3           \*~~0303/4.119~~\* **SECTION 1560.** 77.54 (22) of the statutes is repealed.

4           \*~~0303/4.120~~\* **SECTION 1561.** 77.54 (22b) of the statutes is created to read:

5           77.54 (22b) The sales price from the sale of and the storage, use, or other  
6 consumption of durable medical equipment that is for use in a person's home,  
7 mobility-enhancing equipment, and prosthetic devices, and accessories for such  
8 equipment or devices, if the equipment or devices are used for a human being.

9           \*~~0303/4.121~~\* **SECTION 1562.** 77.54 (23m) of the statutes is amended to read:

10          77.54 (23m) The ~~gross receipts~~ sales price from the sale, lease or rental of or  
11 the storage, use or other consumption of motion picture film or tape, and advertising  
12 materials related thereto, sold, leased or rented to a motion picture theater or radio  
13 or television station.

14          \*~~0303/4.122~~\* **SECTION 1563.** 77.54 (25) of the statutes is amended to read:

15          77.54 (25) The ~~gross receipts~~ sales price from the sale of and the storage of  
16 printed material which is designed to advertise and promote the sale of merchandise,  
17 or to advertise the services of individual business firms, which printed material is  
18 purchased and stored for the purpose of subsequently transporting it outside the  
19 state by the purchaser for use thereafter solely outside the state.

20          \*~~0303/4.123~~\* **SECTION 1564.** 77.54 (26) of the statutes is amended to read:

21          77.54 (26) The ~~gross receipts~~ sales price from the sales of and the storage, use,  
22 or other consumption of tangible personal property which becomes a component part  
23 of an industrial waste treatment facility that is exempt under s. 70.11 (21) (a) or that  
24 would be exempt under s. 70.11 (21) (a) if the property were taxable under ch. 70, or  
25 tangible personal property which becomes a component part of a waste treatment

## SECTION 1564

1 facility of this state or any agency thereof, or any political subdivision of the state or  
2 agency thereof as provided in s. 40.02 (28). The exemption includes replacement  
3 parts therefor, and also applies to chemicals and supplies used or consumed in  
4 operating a waste treatment facility and to purchases of tangible personal property  
5 made by construction contractors who transfer such property to their customers in  
6 fulfillment of a real property construction activity. This exemption does not apply  
7 to tangible personal property installed in fulfillment of a written construction  
8 contract entered into, or a formal written bid made, prior to July 31, 1975.

9 \*–0303/4.124\* SECTION 1565. 77.54 (26m) of the statutes is amended to read:

10 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use  
11 or other consumption of waste reduction or recycling machinery and equipment,  
12 including parts therefor, exclusively and directly used for waste reduction or  
13 recycling activities which reduce the amount of solid waste generated, reuse solid  
14 waste, recycle solid waste, compost solid waste or recover energy from solid waste.  
15 The exemption applies even though an economically useful end product results from  
16 the use of the machinery and equipment. For the purposes of this subsection, “solid  
17 waste” means garbage, refuse, sludge or other materials or articles, whether these  
18 materials or articles are discarded or purchased, including solid, semisolid, liquid or  
19 contained gaseous materials or articles resulting from industrial, commercial,  
20 mining or agricultural operations or from domestic use or from public service  
21 activities.

22 \*–0303/4.125\* SECTION 1566. 77.54 (27) of the statutes is amended to read:

23 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for  
24 artificial insemination of livestock.

25 \*–0303/4.126\* SECTION 1567. 77.54 (28) of the statutes is amended to read:

1           77.54 (28) The gross receipts from the sale of and the storage, use or other  
2 consumption to or by the ultimate consumer of ~~apparatus or equipment for the~~  
3 ~~injection of insulin or the treatment of diabetes~~ and supplies used to determine blood  
4 sugar level.

5           \*~~0303/4.127~~\* SECTION 1568. 77.54 (29) of the statutes is amended to read:

6           77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use  
7 or other consumption of equipment used in the production of maple syrup.

8           \*~~0303/4.128~~\* SECTION 1569. 77.54 (30) (a) (intro.) of the statutes is amended  
9 to read:

10          77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

11          \*~~0303/4.129~~\* SECTION 1570. 77.54 (30) (c) of the statutes is amended to read:

12          77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this  
13 subsection and partly for a use which is not exempt under this subsection, no tax  
14 shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the  
15 percentage of the fuel or electricity which is used for an exempt use, as specified in  
16 an exemption certificate provided by the purchaser to the seller.

17          \*~~0303/4.130~~\* SECTION 1571. 77.54 (31) of the statutes is amended to read:

18          77.54 (31) The ~~gross receipts~~ sales price from the sale of and the storage, use  
19 or other consumption in this state, but not the lease or rental, of used mobile homes  
20 that are primary housing units under s. 340.01 (29).

21          \*~~0303/4.131~~\* SECTION 1572. 77.54 (32) of the statutes is amended to read:

22          77.54 (32) The ~~gross receipts~~ sales price from charges, including charges for a  
23 search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record  
24 that a person may examine and use under s. 16.61 (12) or for copies of a record under  
25 s. 19.35 (1).

## SECTION 1573

1           \***-0303/4.132\*** SECTION 1573. 77.54 (33) of the statutes is amended to read:

2           77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or  
3 other consumption of medicines drugs used on farm livestock, not including  
4 workstock.

5           \***-0303/4.133\*** SECTION 1574. 77.54 (34) of the statutes is amended to read:

6           77.54 (34) The ~~gross receipts~~ sales price from the sale of and the storage, use  
7 or other consumption of milk house supplies used exclusively in producing and  
8 handling milk on dairy farms.

9           \***-0303/4.134\*** SECTION 1575. 77.54 (35) of the statutes is amended to read:

10          77.54 (35) The ~~gross receipts~~ sales price from the sales of tangible personal  
11 property, tickets or admissions by any baseball team affiliated with the Wisconsin  
12 Department of American Legion baseball.

13          \***-0303/4.135\*** SECTION 1576. 77.54 (36) of the statutes is amended to read:

14          77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period  
15 of one month or more of a mobile home, as defined in s. 66.0435 (1) (d), that is used  
16 as a residence. In this subsection, “one month” means a calendar month or 30 days,  
17 whichever is less, counting the first day of the rental and not counting the last day  
18 of the rental.

19          \***-0303/4.136\*** SECTION 1577. 77.54 (37) of the statutes is amended to read:

20          77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.  
21 146.70 (3) and the surcharge established by rule by the public service commission  
22 under s. 146.70 (3m) (f) for customers of wireless providers, as defined in s. 146.70  
23 (3m) (a) 6.

24          \***-0303/4.137\*** SECTION 1578. 77.54 (38) of the statutes is amended to read:

1           77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use  
2 or other consumption of snowmobile trail groomers and attachments for them that  
3 are purchased, stored, used or consumed by a snowmobile club that meets at least  
4 3 times a year, that has at least 10 members, that promotes snowmobiling and that  
5 participates in the department of natural resources' snowmobile program under s.  
6 350.12 (4) (b).

7           \*~~0303/4.138~~\* SECTION 1579. 77.54 (39) of the statutes is amended to read:

8           77.54 (39) The ~~gross receipts~~ sales price from the sale of and the storage, use  
9 or other consumption of off-highway, heavy mechanical equipment such as feller  
10 bunchers, slashers, delimiters, chippers, hydraulic loaders, loaders,  
11 skidder-forwarders, skidders, timber wagons and tractors used exclusively and  
12 directly in the harvesting or processing of raw timber products in the field by a person  
13 in the logging business. In this subsection, "heavy mechanical equipment" does not  
14 include hand tools such as axes, chains, chain saws and wedges.

15           \*~~0303/4.139~~\* SECTION 1580. 77.54 (40) of the statutes is repealed.

16           \*~~0303/4.140~~\* SECTION 1581. 77.54 (41) of the statutes is amended to read:

17           77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,  
18 supplies and equipment to; and the storage, use or other consumption of those kinds  
19 of property by; owners, contractors, subcontractors or builders if that property is  
20 acquired solely for or used solely in, the construction, renovation or development of  
21 property that would be exempt under s. 70.11 (36).

22           \*~~0303/4.141~~\* SECTION 1582. 77.54 (42) of the statutes is amended to read:

23           77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use  
24 or other consumption of animal identification tags provided under s. 93.06 (1h) and  
25 standard samples provided under s. 93.06 (1s).

**SECTION 1583**

1           \*–0303/4.142\* **SECTION 1583.** 77.54 (43) of the statutes is amended to read:

2           77.54 (43) The ~~gross receipts~~ sales price from the sale of and the storage, use  
3 or other consumption of raw materials used for the processing, fabricating or  
4 manufacturing of, or the attaching to or incorporating into, printed materials that  
5 are transported and used solely outside this state.

6           \*–0303/4.143\* **SECTION 1584.** 77.54 (44) of the statutes is amended to read:

7           77.54 (44) The ~~gross receipts~~ sales price from the collection of public benefits  
8 fees that are charged under s. 16.957 (4) (a) or (5) (a).

9           \*–0303/4.144\* **SECTION 1585.** 77.54 (45) of the statutes is amended to read:

10          77.54 (45) The ~~gross receipts~~ sales price from the sale of and the use or other  
11 consumption of a onetime license or similar right to purchase admission to  
12 professional football games at a football stadium, as defined in s. 229.821 (6), that  
13 is granted by a municipality; a local professional football stadium district; or a  
14 professional football team or related party, as defined in s. 229.821 (12); if the person  
15 who buys the license or right is entitled, at the time the license or right is transferred  
16 to the person, to purchase admission to at least 3 professional football games in this  
17 state during one football season.

18          \*–0303/4.145\* **SECTION 1586.** 77.54 (46) of the statutes is amended to read:

19          77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,  
20 or other consumption of the U.S. flag or the state flag. This subsection does not apply  
21 to a representation of the U.S. flag or the state flag.

22          \*–0303/4.146\* **SECTION 1587.** 77.54 (46m) of the statutes is amended to read:

23          77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,  
24 or other consumption of telecommunications services, if the telecommunications  
25 services are obtained by using the rights to purchase telecommunications services,

1 including purchasing reauthorization numbers, by paying in advance and by using  
2 an access number and authorization code; and if the tax imposed under s. 77.52 or  
3 77.53 was previously paid on the sale or purchase of such rights.

4 **\*-1796/3.15\* SECTION 1588.** 77.54 (48) of the statutes is created to read:

5 77.54 (48) The gross receipts from the sale of and the storage, use, or other  
6 consumption of audiovisual works, finished artwork, literary works, and audio  
7 works that are delivered electronically to the purchaser, if the sale of and the storage,  
8 use, or other consumption of such items sold in a tangible form is exempt from  
9 taxation under this subchapter.

10 **\*-0303/4.147\* SECTION 1589.** 77.55 (1) (intro.) of the statutes is amended to  
11 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 **\*-0303/4.148\* SECTION 1590.** 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 **\*-0303/4.149\* SECTION 1591.** 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 \*~~0303/4.150~~\* SECTION 1592. 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 \*~~0303/4.151~~\* SECTION 1593. 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 \*~~0303/4.152~~\* SECTION 1594. 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~~ sales price from the sale as exempted by this  
23 subchapter from the computation of the amount of the sales tax and uses the property  
24 in some other manner or for some other purpose, the purchaser is liable for payment  
25 of the sales tax. The tax shall be measured by the sales price of the property to the

1 purchaser, but if the taxable use first occurs more than 6 months after the sale to the  
2 purchaser, the purchaser may use as the measure of the tax either that sales price  
3 or the fair market value of the property at the time the taxable use first occurs.

4 ~~\*-0743/1.2\*~~ **SECTION 1595.** 77.58 (3) (a) of the statutes is amended to read:

5 77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller.  
6 For purposes of the use tax a return shall be filed by every retailer engaged in  
7 business in this state, by every retailer not engaged in business in this state, as  
8 provided under s. 77.53 (1r), and by every person purchasing tangible personal  
9 property or services, the storage, use or other consumption of which is subject to the  
10 use tax, who has not paid the use tax due to a retailer required to collect the tax. If  
11 a qualified subchapter S subsidiary is not regarded as a separate entity under ch. 71,  
12 the owner of that subsidiary shall include the information for that subsidiary on the  
13 owner's return. Returns shall be signed by the person required to file the return or  
14 by a duly authorized agent but need not be verified by oath. If a single-owner entity  
15 is disregarded as a separate entity under ch. 71, the owner shall include the  
16 information from the entity on the owner's return.

17 ~~\*-0303/4.153\*~~ **SECTION 1596.** 77.58 (3) (b) of the statutes is amended to read:

18 77.58 (3) (b) ~~For purposes of the sales tax the return shall show the gross~~  
19 ~~receipts of the seller during the preceding reporting period. For purposes of the use~~  
20 ~~tax, in case of a return filed by a retailer, the return shall show the total sales price~~  
21 ~~of the property or taxable services sold, the storage, use or consumption of which~~  
22 ~~became subject to the use tax during the preceding reporting period. In case of a sales~~  
23 ~~or use tax return filed by a purchaser, the return shall show the total sales price of~~  
24 ~~the property and taxable services purchased, the storage, use or consumption of~~  
25 ~~which became subject to the use tax during the preceding reporting period. The~~

1 return shall also show the amount of the taxes for the period covered by the return  
2 and such other information as the department deems necessary for the proper  
3 administration of this subchapter.

4 **\*-0303/4.154\* SECTION 1597.** 77.58 (6) of the statutes is amended to read:

5 77.58 (6) For the purposes of the sales tax ~~gross receipts~~, the sales price from  
6 rentals or leases of tangible personal property shall be reported and the tax paid in  
7 accordance with such rules as the department prescribes.

8 **\*-0303/4.155\* SECTION 1598.** 77.58 (6m) of the statutes is created to read:

9 77.58 (6m) (a) The department may, in cases where it is satisfied that an undue  
10 hardship would otherwise result, permit the reporting of a sales price or purchase  
11 price on some basis other than the accrual basis.

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

16 **\*-0303/4.156\* SECTION 1599.** 77.58 (9a) of the statutes is created to read:

17 77.58 (9a) In addition to filing a return as provided in this section, a person  
18 described under s. 77.524 (3), (4), or (5) shall provide to the department any  
19 information that the department considers necessary for the administration of this  
20 subchapter, in the manner prescribed by the department, except that the  
21 department may not require that the person provide such information to the  
22 department more than once every 180 days.

23 **\*-0303/4.157\* SECTION 1600.** 77.585 of the statutes is created to read:

24 **77.585 Return adjustments.** (1) (a) In this subsection, "bad debt" means the  
25 portion of the sales price or purchase price that the seller has reported as taxable

1 under this subchapter and that the seller may claim as a deduction under section 166  
2 of the Internal Revenue Code. “Bad debt” does not include financing charges or  
3 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible  
4 amounts on property that remains in the seller’s possession until the full sales price  
5 or purchase price is paid, expenses incurred in attempting to collect any debt, debts  
6 sold or assigned to 3rd parties for collection, and repossessed property.

7 (b) A seller may claim as a deduction on a return under s. 77.58 the amount of  
8 any bad debt that the seller writes off as uncollectible in the seller’s books and records  
9 and that is eligible to be deducted as bad debt for federal income tax purposes,  
10 regardless of whether the seller is required to file a federal income tax return. A  
11 seller who claims a deduction under this paragraph shall claim the deduction on the  
12 return under s. 77.58 that is submitted for the period in which the seller writes off  
13 the amount of the deduction as uncollectible in the seller’s books and records and in  
14 which such amount is eligible to be deducted as bad debt for federal income tax  
15 purposes. If the seller subsequently collects in whole or in part any bad debt for  
16 which a deduction is claimed under this paragraph, the seller shall include the  
17 amount collected in the return filed for the period in which the amount is collected  
18 and shall pay the tax with the return.

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

24 (d) A seller may obtain a refund of the tax collected on any bad debt amount  
25 deducted under par. (b) that exceeds the amount of the seller’s taxable sales as

1 provided under s. 77.59 (4), except that the period for making a claim as determined  
2 under s. 77.59 (4) begins on the date on which the return on which the bad debt could  
3 be claimed would have been required to be submitted to the department under s.  
4 77.58.

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

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

16 (2) If a lessor of tangible personal property has reimbursed the vendor for the  
17 sales tax on the sale of the property by the vendor to the lessor, the tax due from the  
18 lessor on the rental receipts may be offset by a credit equal to the tax otherwise due  
19 on the rental receipts from the property for the reporting period. The credit shall  
20 expire when the cumulative rental receipts equal the sales price upon which the  
21 vendor paid sales taxes to this state.

22 (3) If a purchaser of tangible personal property has reimbursed the vendor of  
23 the property for the sales tax on the sale and subsequently, before making any use  
24 of the property other than retention, demonstration, or display while holding it for

1 sale or rental, makes a taxable sale of the property, the tax due on the taxable sale  
2 may be offset by the tax reimbursed.

3 (4) A seller may claim a deduction on any part of the sales price or purchase  
4 price that the seller refunds in cash or credit as a result of returned property or  
5 adjustments in the sales price or purchase price after the sale has been completed,  
6 if the seller has included the refunded price in a prior return made by the seller and  
7 has paid the tax on such price, and if the seller has returned to the purchaser in cash  
8 or in credit all tax previously paid by the purchaser on the amount of the refund at  
9 the time of the purchase. A deduction under this subsection shall be claimed on the  
10 return for the period in which the refund is paid.

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

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

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

23 (8) A sale or purchase involving transfer of ownership of property is completed  
24 at the time when possession is transferred by the seller or the seller's agent to the  
25 purchaser or the purchaser's agent, except that for purposes of sub. (1) a common

## SECTION 1600

1 carrier or the U.S. postal service shall be considered the agent of the seller, regardless  
2 of any f.o.b. point and regardless of the method by which freight or postage is paid.

3 **\*-0303/4.158\* SECTION 1601.** 77.59 (2m) of the statutes is created to read:

4 77.59 (2m) The department may audit, or may authorize others to audit, sellers  
5 and certified service providers who are registered with the department pursuant to  
6 the agreement, as defined in s. 77.65 (2) (a).

7 **\*-0303/4.159\* SECTION 1602.** 77.59 (9) of the statutes is amended to read:

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

22 **\*-0303/4.160\* SECTION 1603.** 77.59 (9n) of the statutes is created to read:

23 77.59 (9n) No seller or certified service provider is liable for any deficiency or  
24 refund under this subchapter that is the result of the seller or certified service

1 provider relying on erroneous information contained in a database maintained  
2 under s. 73.03 (61) (e) or (f).

3 **\*-0303/4.161\* SECTION 1604.** 77.59 (9p) (b) of the statutes is created to read:

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

*STOP HERE*

22 **\*-0303/4.162\* SECTION 1605.** 77.59 (9r) of the statutes is created to read:

23 77.59 (9r) With regard to a purchaser's request for a refund under this section,  
24 a seller is presumed to have reasonable business practices if the seller uses a certified  
25 service provider, a certified automated system, as defined in s. 77.524 (1) (am), or a

1 provider relying on erroneous information contained in a database maintained  
2 under s. 73.03 (61) (e) or (f).

3 **\*-0303/4.161\* SECTION 1604.** 77.59 (9p) (b) of the statutes is created to read:

4 **77.59 (9p) (b)** If a customer purchases a service that is not subject to 4 USC 116  
5 to 126, as amended by P.L. 106-252, or tangible personal property, and if the  
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14 the customer. If the review indicates that there is an error as alleged, the seller shall  
15 correct the error and shall refund the amount of any tax collected erroneously, along  
16 with the related interest, as a result of the error from the customer, consistent with  
17 s. 77.59 (4). A customer may take no other action, or commence any action, to correct  
18 an alleged error in the amount of the tax assessed under this subchapter on a service  
19 that is not subject to 4 USC 116 to 126, as amended by P.L. 106-252, or tangible  
20 personal property, unless the customer has exhausted his or her remedies under this  
21 paragraph.

*START HERE*

22 **\*-0303/4.162\* SECTION 1605.** 77.59 (9r) of the statutes is created to read:

23 **77.59 (9r)** With regard to a purchaser's request for a refund under this section,  
24 a seller is presumed to have reasonable business practices if the seller uses a certified  
25 service provider, a certified automated system, as defined in s. 77.524 (1) (am), or a

1 proprietary system certified by the department to collect the taxes imposed under  
2 this subchapter and if the seller has remitted to the department all taxes collected  
3 under this subchapter, less any deductions, credits, or allowances.

4 **\*-0303/4.163\* SECTION 1606.** 77.60 (13) of the statutes is created to read:

5 77.60 (13) A person who uses any of the following documents in a manner that  
6 is prohibited by or inconsistent with this subchapter, or provides incorrect  
7 information to a seller or certified service provider related to the use of such  
8 documents or regarding an exemption to the taxes imposed under this subchapter,  
9 shall pay a penalty of \$250 for each invoice or bill of sale related to the prohibited or  
10 inconsistent use or incorrect information:

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

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

13 (c) A direct mail form, as defined in s. 77.522 (1) (a) 1.

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

15 **\*-0303/4.164\* SECTION 1607.** 77.61 (1) (b) of the statutes is amended to read:

16 77.61 (1) (b) In the case of ~~a motor vehicle~~ motor vehicles, boats, snowmobiles,  
17 mobile homes not exceeding 45 feet in length, trailers, semitrailers, all-terrain  
18 vehicles, or aircraft purchased from a ~~licensed Wisconsin motor vehicle dealer~~  
19 retailer, the registrant shall present proof that the tax has been paid to such ~~dealer~~  
20 retailer.

21 **\*-0303/4.165\* SECTION 1608.** 77.61 (1) (c) of the statutes is amended to read:

22 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, mobile homes  
23 not exceeding 45 feet in length, trailers, semitrailers, all-terrain vehicles or aircraft  
24 registered or titled, or required to be registered or titled, in this state purchased from  
25 persons who are not ~~Wisconsin boat, trailer or semitrailer dealers, licensed~~