

1 **SECTION 150.** 77.54 (39) of the statutes is amended to read:

2 77.54 (39) The ~~gross receipts~~ [✓] sales price from the sale of and the storage, use
3 or other consumption of off-highway, heavy mechanical equipment such as feller
4 bunchers, slashers, delimiters, chippers, hydraulic loaders, loaders,
5 skidder-forwarders, skidders, timber wagons and tractors used exclusively and
6 directly in the harvesting or processing of raw timber products in the field by a person
7 in the logging business. In this subsection, “heavy mechanical equipment” does not
8 include hand tools such as axes, chains, chain saws and wedges.

9 **SECTION 151.** 77.54 (40) of the statutes is repealed. ✓

10 **SECTION 152.** 77.54 (41) of the statutes is amended to read:

11 77.54 (41) The ~~gross receipts~~ [✓] sales price from the sale of building materials,
12 supplies and equipment to; and the storage, use or other consumption of those kinds
13 of property by; owners, contractors, subcontractors or builders if that property is
14 acquired solely for or used solely in, the construction, renovation or development of
15 property that would be exempt under s. 70.11 (36).

16 **SECTION 153.** 77.54 (42) of the statutes is amended to read:

17 77.54 (42) The ~~gross receipts~~ [✓] sales price from the sale of and the storage, use
18 or other consumption of animal identification tags provided under s. 93.06 (1h) and
19 standard samples provided under s. 93.06 (1s).

20 **SECTION 154.** 77.54 (43) of the statutes is amended to read:

21 77.54 (43) The ~~gross receipts~~ [✓] sales price from the sale of and the storage, use
22 or other consumption of raw materials used for the processing, fabricating or
23 manufacturing of, or the attaching to or incorporating into, printed materials that
24 are transported and used solely outside this state.

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STET (keep)

SECTION 155. 77.54 (44) of the statutes ~~as affected by 2005 Wisconsin Act 141,~~

is amended to read:

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

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SECTION 156. 77.54 (45) of the statutes is amended to read:

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

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SECTION 157. 77.54 (46) of the statutes is amended to read:

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

18

SECTION 158. 77.54 (46m) of the statutes is amended to read:

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

24

1 SECTION 159. 77.54 (47) (intro.) of the statutes, ~~as affected by 2005 Wisconsin~~

2 ~~Act 25,~~ is amended to read:

3 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
4 use, or other consumption of all of the following:

5 SECTION 160. 77.54 (47) (b) 1. and 2. of the statutes, ~~as created by 2005~~

6 ~~Wisconsin Act 25,~~ are amended to read:

7 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
8 s. 77.52 on its ~~gross receipts~~ the sales price from charges for shooting at the facility.

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

13 SECTION 161. 77.54 (48) (a) of the statutes, ~~as created by 2005 Wisconsin Act~~

14 ~~(479),~~ is amended to read:

15 77.54 (48) (a) Subject to 2005 Wisconsin Act 479, section 17, the ~~gross receipts~~
16 sales price from the sale of and the storage, use, or other consumption of Internet
17 equipment used in the broadband market, if the purchaser certifies to the
18 department of commerce, in the manner prescribed by the department of commerce,
19 that the purchaser will, within 24 months after July 1, 2007 ~~the effective date of this paragraph~~
20 ~~...~~ revisor inserts date ^{keep} make an investment that is reasonably calculated to
21 increase broadband Internet availability in this state.

22 SECTION 162. 77.54 (48m) of the statutes is created to read:

23 77.54 (48m) The sales price from the sale of and the storage, use, or other
24 consumption of audiovisual works, finished artwork, literary works, and audio
25 works that are delivered electronically to the purchaser, if the sale of and the storage,

1 use, or other consumption of such items sold in a tangible form is exempt from
2 taxation under this subchapter.

3 **SECTION 163.** 77.54 (49) of the statutes, ~~as created by 2005 Wisconsin Act 25,~~
4 is amended to read:

5 77.54 (49) The ~~gross receipts~~ [✓] sales price from the sale of and the storage, use,
6 or other consumption of taxable services and tangible personal property that is
7 physically transferred to the purchaser as a necessary part of services that are
8 subject to the taxes imposed under s. 77.52 (2) (a) 7., 10., 11., and 20., if the seller and
9 the purchaser of such services and property are members of the same affiliated group
10 under section 1504 of the Internal Revenue Code and are eligible to file a single
11 consolidated return for federal income tax purposes. For purposes of this subsection,
12 if a seller purchases a taxable service or tangible personal property, as described in
13 the subsection, that is subsequently sold to a member of the seller's affiliated group
14 and the sale is exempt under this subsection from the taxes imposed under this
15 subchapter, the original purchase of the taxable service or tangible personal property
16 by the seller is not considered a sale for resale or exempt under this subsection.

17 **SECTION 164.** 77.55 (1) (intro.) of the statutes is amended to read:

18 77.55 (1) (intro.) There are ~~is~~ [✓] exempted from the computation of the amount
19 of the sales tax the ~~gross receipts~~ [✓] sales price from the sale of any tangible personal
20 property or services to:

21 **SECTION 165.** 77.55 (2) of the statutes is amended to read:

22 77.55 (2) There are ~~is~~ [✓] exempted from the computation of the amount of the sales
23 tax the ~~gross receipts~~ [✓] sales price from sales of tangible personal property to a
24 common or contract carrier, shipped by the seller via the purchasing carrier under
25 a bill of lading whether the freight is paid in advance, or the shipment is made freight

1 charges collect, to a point outside this state and the property is actually transported
2 to the out-of-state destination for use by the carrier in the conduct of its business
3 as a carrier.

4 **SECTION 166.** 77.55 (2m) of the statutes is amended to read:

5 77.55 (2m) There are ~~are~~ [✓]is exempted from the computation of the amount of sales
6 tax the ~~gross receipts~~ [✓]sales price from sales of railroad crossties to a common or
7 contract carrier, shipped wholly or in part by way of the purchasing carrier under a
8 bill of lading, whether the freight is paid in advance or the shipment is made freight
9 charges collect, to a point outside this state if the property is transported to the
10 out-of-state destination for use by the carrier in the conduct of its business as a
11 carrier. Interruption of the shipment for storage, drying, processing or creosoting of
12 the railroad crossties in this state does not invalidate the exemption under this
13 subsection.

14 **SECTION 167.** 77.55 (3) of the statutes is amended to read:

15 77.55 (3) There are ~~are~~ [✓]is exempted from the computation of the amount of the sales
16 tax the ~~gross receipts~~ [✓]sales price from sales of tangible personal property purchased
17 for use solely outside this state and delivered to a forwarding agent, export packer,
18 or other person engaged in the business of preparing goods for export or arranging
19 for their exportation, and actually delivered to a port outside the continental limits
20 of the United States prior to making any use thereof.

21 **SECTION 168.** 77.56 (1) of the statutes is amended to read:

22 77.56 (1) The storage, use or other consumption in this state of property, the
23 ~~gross receipts~~ [✓]sales price from the sale of which are [✓]is reported to the department in
24 the measure of the sales tax, is exempted from the use tax.

25 **SECTION 169.** 77.57 of the statutes is amended to read:

1 **77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller
2 that the property purchased will be used in a manner or for a purpose entitling the
3 seller to regard the ~~gross receipts~~ sales price from the sale as exempted by this
4 subchapter from the computation of the amount of the sales tax and uses the property
5 in some other manner or for some other purpose, the purchaser is liable for payment
6 of the sales tax. The tax shall be measured by the sales price of the property to the
7 purchaser, but if the taxable use first occurs more than 6 months after the sale to the
8 purchaser, the purchaser may use as the measure of the tax either that sales price
9 or the fair market value of the property at the time the taxable use first occurs. ✓

10 **SECTION 170.** 77.58 (3) (b) of the statutes is amended to read:

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

22 **SECTION 171.** 77.58 (6) of the statutes is amended to read:

23 77.58 (6) For the purposes of the sales tax ~~gross receipts,~~ the sales price from ✓
24 rentals or leases of tangible personal property shall be reported and the tax paid in
25 accordance with such rules as the department prescribes.

1 **SECTION 172.** 77.58 (6m) of the statutes is created to read:

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

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

9 **SECTION 173.** 77.58 (9a) of the statutes is created to read:

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

16 **SECTION 174.** 77.585 of the statutes is created to read:

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

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

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

18 (d) A seller may obtain a refund of the tax collected on any bad debt amount
19 deducted under par. (b) that exceeds the amount of the seller's taxable sales as
20 provided under s. 77.59 (4), except that the period for making a claim as determined
21 under s. 77.59 (4) begins on the date on which the return on which the bad debt could
22 be claimed would have been required to be submitted to the department under s.
23 77.58. ✓

24 (e) If a seller is using a certified service provider, the certified service provider ✓
25 may claim a bad debt deduction under this subsection on the seller's behalf if the ✓

1 seller has not claimed and will not claim the same deduction. ✓ A certified service
2 provider who receives a bad debt deduction under this subsection shall credit that
3 deduction to the seller and a certified service provider who receives a refund under
4 this subsection shall submit that refund to the seller. ✓

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

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

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

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

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

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

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

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

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

21 **SECTION 175.** 77.59 (2m) of the statutes is created to read:

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

25 **SECTION 176.** 77.59 (9) of the statutes is amended to read:

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

15 **SECTION 177.** 77.59 (9n) of the statutes is created to read:

16 77.59 (9n) No seller or certified service provider is liable for any deficiency or
17 refund under this subchapter that is the result of the seller or certified service
18 provider relying on erroneous information contained in a database maintained
19 under s. 73.03 (61) (e) or (f).

20 **SECTION 178.** 77.59 (9p) (b) of the statutes is created to read:

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

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

14 **SECTION 179.** 77.59 (9r) of the statutes is created to read:

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

21 **SECTION 180.** 77.60 (13) of the statutes is created to read:

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

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

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

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

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

6 (d) An exemption claiming multiple points of use. ✓

7 **SECTION 181.** 77.61 (1) (b) of the statutes is amended to read:

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

13 **SECTION 182.** 77.61 (1) (c) of the statutes is amended to read:

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

23 **SECTION 183.** 77.61 (2) of the statutes is renumbered 77.61 (2) (intro.) and
24 amended to read: ✓

25 77.61 (2) (intro.) In order to protect the revenue of the state: ✓

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

15 **SECTION 184.** 77.61 (2) (b) of the statutes is created to read:

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

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

6 **SECTION 185.** 77.61 (3) of the statutes is repealed. ✓

7 **SECTION 186.** 77.61 (3m) of the statutes is created to read:

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

18 **SECTION 187.** 77.61 (4) (c) of the statutes is amended to read:

19 77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax
20 imposed on the retailer under s. 77.53 (3) and the accounting connected with it,
21 retailers, not including certified service providers, ✓ may deduct 0.5% of those taxes
22 payable or \$10 for that reporting period required under s. 77.58 (1), whichever is
23 greater, but not more than the amount of the sales taxes or use taxes that is payable
24 under ss. 77.52 (1) and 77.53 (3) for that reporting period required under s. 77.58 (1),
25 as administration expenses if the payment of the taxes is not delinquent. For

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

5 **SECTION 188.** 77.61 (5m) of the statutes is created to read:

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

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

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

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

1 (e) The state shall not retain personally identifiable information obtained for
2 purposes of administering this subchapter unless the state is otherwise required to
3 retain the information by law or as provided under the agreement, as defined in s.
4 77.65 (2) (a). ✓

5 **SECTION 189.** 77.61 (16) of the statutes is created to read:

6 77.61 (16) Any person who remits taxes and files returns under this subchapter
7 may designate an agent, as defined in s. 77.524 (1) ✓(ag), to remit such taxes and file
8 such returns with the department in a manner prescribed by the department. ✓

9 **SECTION 190.** 77.63 of the statutes is repealed and recreated to read: ✓

10 **77.63 Collection compensation.** The following persons may retain a portion
11 of sales and use taxes collected on retail sales under this subchapter and subch. ✓
12 in an amount determined by the department and by contracts that the department
13 enters into pursuant to the agreement, as defined in s. 77.65 (2) ✓(a):

14 (1) A certified service provider. ✓

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

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

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

3 SECTION 191. 77.65 (2) (c) of the statutes is repealed. ✓

4 SECTION 192. 77.65 (2) (e) of the statutes is amended to read:

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

7 SECTION 193. 77.67 of the statutes is created to read:

8 77.67 **Amnesty for new registrants.** (1) A seller is not liable for uncollected
9 and unpaid taxes, including penalties and interest, imposed under this subchapter
10 and subch. V on sales made to purchasers in this state before the seller registers
11 under par. (a), if all of the following apply: ✓

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

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

18 ~~inserts date~~ ^{3as} as determined by the department

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

22 ~~revisor inserts date~~ ^{3as} as determined by the department

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

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

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

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

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

10 SECTION 194. 77.70 of the statutes is amended to read:

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

22 SECTION 195. 77.705 of the statutes, as affected by 2005 Wisconsin Act 25, is
23 amended to read:

24 **77.705 Adoption by resolution; baseball park district.** A local
25 professional baseball park district created under subch. III of ch. 229, by resolution

1 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at
2 a rate of no more than ^{plain} ~~0.1%~~ 0.1 percent of the gross receipts or sales price or purchase
3 price. Those taxes may be imposed only in their entirety. The resolution shall be
4 effective on the first day of the first month January 1, April 1, July 1, or October 1
5 that begins at least 30 120 days after the adoption of the resolution. Any moneys
6 transferred from the appropriation account under s. 20.566 (1) (gd) to the
7 appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the
8 district's debt.

9 **SECTION 196.** 77.706 of the statutes, ~~as affected by 2005 Wisconsin Act 25,~~ is
10 amended to read:

11 **77.706 Adoption by resolution; football stadium district.** A local
12 professional football stadium district created under subch. IV of ch. 229, by
13 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
14 subchapter at a rate of ^{plain} ~~0.5%~~ 0.5 percent of the ^{plain} ~~gross receipts~~ or sales price or purchase
15 price. Those taxes may be imposed only in their entirety. The imposition of the taxes
16 under this section shall be effective on the first day of the first month January 1, April
17 1, July 1, or October 1 that begins at least 30 120 days after the certification of the
18 approval of the resolution by the electors in the district's jurisdiction under s. 229.824
19 (15). Any moneys transferred from the appropriation account under s. 20.566 (1) (ge)
20 to the appropriation account under s. 20.835 (4) (ge) shall be used exclusively to retire
21 the district's debt.

22 **SECTION 197.** 77.707 (1) of the statutes is amended to read:

23 **77.707 (1)** Retailers and the department of revenue may not collect a tax under
24 s. 77.705 for any local professional baseball park district created under subch. III of
25 ch. 229 after the last day of the calendar quarter during that is at least 120 days from

SECTION 197

1 the date on ✓ which the local professional baseball park district board makes a
2 certification to the department of revenue under s. 229.685 (2), except that the
3 department of revenue may collect from retailers taxes that accrued before the day
4 after the last day of ✓ that calendar quarter and fees, interest and penalties that relate
5 to those taxes.

6 **SECTION 198.** 77.707 (2) of the statutes is amended to read:

7 77.707 (2) Retailers and the department of revenue may not collect a tax under
8 s. 77.706 for any local professional football stadium district created under subch. IV
9 of ch. 229 after the last day of the ✓ calendar quarter during that is at least 120 days
10 from the date on ✓ which the local professional football stadium district board makes
11 all of the certifications to the department of revenue under s. 229.825 (3), except that
12 the department of revenue may collect from retailers taxes that accrued before the
13 day after the last day of ✓ that calendar quarter and fees, interest and penalties that
14 relate to those taxes.

15 **SECTION 199.** 77.71 (1) of the statutes is amended to read:

16 77.71 (1) For the privilege of selling, licensing, ✓ leasing or renting tangible
17 personal property, and the property and items specified under s. 77.52 (1) (b) to (d), ✓
18 and for the privilege of selling, licensing, ✓ performing or furnishing services a sales
19 tax is imposed upon retailers at the rate of 0.5% in the case of a county tax or at the
20 rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~gross receipts~~
21 sales price from the sale, licensing, ✓ lease or rental of tangible personal property,
22 except property taxed under sub. (4), sold, licensed, ✓ leased or rented at retail in the
23 county or special district or from selling, licensing, ✓ performing or furnishing services
24 described under s. 77.52 (2) in the county or special district. ✓

25 **SECTION 200.** 77.71 (2) of the statutes is amended to read:

1 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax
2 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
3 purchase price upon every person storing, using or otherwise consuming in the
4 county or special district tangible personal property or services if the property or
5 service is subject to the state use tax under s. 77.53, except that a receipt indicating
6 that the tax under sub. (1), (3) or (4) has been paid relieves the buyer of liability for
7 the tax under this subsection and except that if the buyer has paid a similar local tax
8 in another state on a purchase of the same property or services that tax shall be
9 credited against the tax under this subsection and except that for motor vehicles that
10 are used for a purpose in addition to retention, demonstration or display while held
11 for sale in the regular course of business by a dealer the tax under this subsection
12 is imposed not on the sales purchase price but on the amount under s. 77.53 (1m).

13 **SECTION 201.** 77.71 (3) of the statutes is amended to read:

14 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
15 activities within the county or special district, at the rate of 0.5% in the case of a
16 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
17 of the sales purchase price of tangible personal property that is used in constructing,
18 altering, repairing or improving real property and that becomes a component part
19 of real property in that county or special district, except that if the contractor has
20 paid the sales tax of a county in the case of a county tax or of a special district in the
21 case of a special district tax in this state on that property, or has paid a similar local
22 sales tax in another state on a purchase of the same property, that tax shall be
23 credited against the tax under this subsection.

24 **SECTION 202.** 77.71 (4) of the statutes is amended to read:

1 77.71 (4) An excise tax is imposed at the rate of 0.5% in the case of a county tax
2 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
3 purchase price upon every person storing, using or otherwise consuming a motor
4 vehicle, boat, snowmobile, mobile home not exceeding 45 feet in length, trailer,
5 semitrailer, ~~all-terrain vehicle~~ or aircraft, if that property must be registered or
6 titled with this state and if that property is to be customarily kept in a county that
7 has in effect an ordinance under s. 77.70 or in a special district that has in effect a
8 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local
9 sales tax in another state on a purchase of the same property that tax shall be
10 credited against the tax under this subsection.

11 **SECTION 203.** 77.72 (title) of the statutes is repealed.

12 **SECTION 204.** 77.72 (1) of the statutes is renumbered 77.72 and amended to
13 read:

14 **77.72 General rule for property.** For the purposes of this subchapter, all
15 retail sales of tangible personal property are ~~completed at the time when, and the~~
16 ~~place where, the seller or the seller's agent transfers possession to the buyer or the~~
17 ~~buyer's agent. In this subsection, a common carrier or the U.S. postal service is the~~
18 ~~agent of the seller, regardless of any f.o.b. point and regardless of the method by~~
19 ~~which freight or postage is paid. Rentals and leases of property, except property~~
20 ~~under sub. (2), have a situs at the location of that property, and property and items~~
21 ~~specified under s. 77.52 (1) (b) to (d), and taxable services occur as provided in s.~~
22 77.522. ✓

23 **SECTION 205.** 77.72 (2) and (3) of the statutes are repealed.

24 **SECTION 206.** 77.73 (2) of the statutes is amended to read:

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

8 **SECTION 207.** 77.73 (3) of the statutes is created to read:

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

17 **SECTION 208.** 77.75 of the statutes is amended to read:

18 **77.75 Reports.** Every person subject to county or special district sales and use
19 taxes shall, for each reporting period, record that person's sales made in the county
20 or special district that has imposed those taxes separately from sales made
21 elsewhere in this state and file a report of the measure of the county or special district
22 sales and use taxes and the tax due thereon separately as prescribed by the
23 department of revenue. ✓

24 **SECTION 209.** 77.77 (1) of the statutes is renumbered 77.77 (1) (a) and amended
25 to read:

1 77.77 (1) (a) The ^{plain}~~gross receipts sales price~~ from services subject to the tax under
2 s. 77.52 (2) are ~~not or the lease, rental, or license of tangible personal property, and~~
3 ~~property and items specified under s. 77.52 (1) (b) to (d),~~ [✓] is subject to the taxes under
4 this subchapter, and the incremental amount of tax caused by a rate increase
5 applicable to those services, ~~leases, rentals, or licenses~~ [✓] is not due, if those services
6 are ~~billed to the customer and paid for before~~ beginning with the first billing period
7 starting on or after the effective date of the county ordinance, special district
8 resolution, or rate increase, regardless of whether the service is furnished or the
9 property or item is leased, rented, or licensed to the customer before or after that
10 date. ✓

11 **SECTION 210.** 77.77 (1) (b) of the statutes is created to read:

12 77.77 (1) (b) The sales price from services subject to the tax under s. 77.52 (2)
13 or the lease, rental, or license of tangible personal property, and property and items
14 specified under s. 77.52 (1) (b) to (d), is not subject to the taxes under this subchapter,
15 and a decrease in the tax rate imposed under this subchapter on those services first
16 applies, beginning with bills rendered on or after the effective date of the repeal or
17 sunset of a county ordinance or special district resolution imposing the tax or other
18 rate decrease, regardless of whether the service is furnished or the property is leased,
19 rented, or licensed to the customer before or after that date. ✓

20 **SECTION 211.** 77.77 (2) of the statutes is repealed. ✓

21 **SECTION 212.** 77.785 (1) of the statutes is amended to read:

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

25 **SECTION 213.** 77.785 (2) of the statutes is amended to read:

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

6 **SECTION 214.** 77.98 of the statutes is amended to read:

7 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may
8 impose a tax on the retail sale, except sales for resale, within the district's
9 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~
10 ~~(e) 1. to 3. and not~~ candy, as defined in s. 77.51 (1e), prepared food, as defined in s.
11 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the
12 sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) or (20) (e) 5., (20n) (b) and (c),
13 and (20r). ^{stet}

14 **SECTION 215.** 77.981 of the statutes is amended to read:

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

24 **SECTION 216.** 77.982 (2) of the statutes is amended to read:

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

8 **SECTION 217.** 77.99 of the statutes is amended to read:

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

19 **SECTION 218.** 77.991 (2) of the statutes is amended to read:

20 77.991 (2) Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (12m),
 21 (14) (a) to (f), (j) and (k), (14g), (15a), and (15b), 77.52 (3), ~~(3m)~~ (4), (6), (13), (14) and,
 22 (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2),
 23 (3m), (5), (8), (9), ^{Plain} and (12) to ~~(14)~~ ^{Plain} (15), and 77.62, as they apply to the taxes under
 24 subch. III, apply to the tax under this subchapter. Sections ~~77.72 (1) and (2) (a) and~~
 25 Section 77.73, as they apply it applies to the taxes under subch. V, apply applies to

1 the tax under this subchapter. The renter shall collect the tax under this subchapter
2 from the person to whom the passenger car is rented.

3 **SECTION 219.** 77.994 (1) (intro.) of the statutes is amended to read:

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

11 **SECTION 220.** 77.9941 (4) of the statutes is amended to read:

12 77.9941 (4) Sections 77.72 (1), (2) (a) and (3) (a), 77.73, 77.74, 77.75, 77.76 (1),
13 (2), and (4), 77.77 (1) and (2), 77.785 (1), and 77.79, as they apply to the taxes under
14 subch. V, apply to the tax under this subchapter.

15 **SECTION 221.** 77.995 (2) of the statutes ~~as affected by 2005 Wisconsin Act 25~~
16 is repealed and recreated to read:

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

— AINS LMK

~~***NOTE: This is reconciled s. 77.995 (2). This SECTION has been affected by LRB 1040/P1.~~

SECTION 222. 77.9951 (2) of the statutes is amended to read:

77.9951 (2) Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (12m), (14) (a) to (f), (j) and (k), ⁽¹⁴⁾ (15a) ^{STET} and (15b), 77.52 ~~(3m)~~ ⁽³⁾ (4), (6), (13), (14) and, (18), and (19), 77.522 ⁽²⁾, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9) ^{plain} and (12) to ~~(14)~~ ⁽¹⁵⁾ (15), and 77.62, as they apply to the taxes under subch. III, apply to the fee under this subchapter. The renter shall collect the fee under this subchapter from the person to whom the vehicle is rented.

SECTION 223. 77.996 (6) of the statutes, as affected by ~~2005 Wisconsin Act 253.~~

is amended to read:

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

SECTION 224. 86.195 (3) (b) 3: of the statutes is amended to read:

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

SECTION 225. 218.0171 (2) (cq) of the statutes is amended to read:

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

1 having the nonconformity and the date on which the manufacturer provided the
2 refund.

3 **SECTION 226. Effective date**

4 (1) ~~This act~~ takes effect on ~~July 1, 2007.~~

5 (END)

944/

; Revenue

January 1, 2008

The treatment of sections

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1 (5), (8), (9), and (12) to ~~(14)~~ (15), and 77.62, as they apply to the taxes under subch.
2 III, apply to the fee under this subchapter. Sections ~~77.72 (1) and (2) (a) and Section~~
3 ~~77.73, as they apply~~ it applies to the taxes under subch. V, ~~apply~~ applies to the fee
4 under this subchapter. The renter shall collect the fee under this subchapter from
5 the person to whom the passenger car is rented.

6 **SECTION 227.** 86.195 (3) (b) 3. of the statutes is amended to read:

7 86.195 (3) (b) 3. Fifty percent of the ~~gross receipts~~ sales price, as defined in s.
8 77.51 (15b), of the business are from ~~meal, food, the sale of food product and beverage~~
9 sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under s. 77.54
10 (20) (e) subch. III of ch. 77; and

11 **SECTION 228.** 218.0171 (2) (cq) of the statutes is amended to read:

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

(S) IMPLEMENTING THE STREAMLINED SALES AND USE TAX AGREEMENT

18 **SECTION 9441. Effective dates; Revenue.**

19 (1) The treatment of sections to repeal *repeal of sections* 20.435 (3) (bm), 46.513, 77.51 (4), 77.51
20 (14) (d), 77.51 (14) (i), 77.51 (14) (k), 77.51 (14) (L), 77.51 (14r), 77.51 (15), 77.52 (3m),
21 77.52 (6), 77.52 (14) (a) 2., 77.523 (title), 77.53 (4), 77.54 (14g), 77.54 (14s), 77.54 (20),
22 77.54 (20m), 77.54 (22), 77.54 (40), 77.61 (3), 77.65 (2) (c), 77.72 (title), 77.72 (2) and
23 (3), and 77.77 (2) *of the statutes* to renumber *the renumbering of sections* 77.51 (1), 77.51 (14) (g), 77.524 (1) (a), 77.524 (1) (b) *of the statutes*
24 and 77.53 (9m) to renumber and amend *of the statutes* *the renumbering and amendment of sections* 77.52 (1), 77.523, 77.53 (2), 77.53 (11),
25 77.61 (2), 77.72 (1) and 77.77 (1) to consolidate, renumber and amend 77.52 (14)

the consolidation, renumbering and amendment of section

SECTION 9441

of the statutes *the amendment of sections*

1 (a) (intro.) and 1. and (b) to amend 66.0615 (1m) (f) 2., 70.111 (23), 73.03 (50) (d),
2 76.07 (4g) (b) 8., 77.51 (5), 77.51 (13) (o), 77.51 (13g) (intro.), 77.51 (14) (intro.), 77.51
3 (14) (a), 77.51 (14) (j), 77.51 (17), 77.51 (20), 77.51 (21), 77.52 (2) (intro.), 77.52 (2) (a)
4 5. a., 77.52 (2) (a) 10., 77.52 (7), 77.52 (13), 77.52 (15), 77.53 (1), 77.53 (3), 77.53 (9),
5 77.53 (10), 77.53 (16), 77.53 (17), 77.53 (17m), 77.53 (17r) (a), 77.53 (18), 77.54 (1),
6 77.54 (2), 77.54 (2m), 77.54 (3) (a), 77.54 (3m) (intro.), 77.54 (4), 77.54 (5) (intro.),
7 77.54 (6) (intro.), 77.54 (7m), 77.54 (8), 77.54 (9), 77.54 (9a) (intro.), 77.54 (10), 77.54
8 (11), 77.54 (12), 77.54 (13), 77.54 (14) (intro.), 77.54 (14) (a), 77.54 (14) (b), 77.54 (14)
9 (f) (intro.), 77.54 (15), 77.54 (16), 77.54 (17), 77.54 (18), 77.54 (21), 77.54 (23m), 77.54
10 (25), 77.54 (26), 77.54 (26m), 77.54 (27), 77.54 (28), 77.54 (29), 77.54 (30) (a) (intro.),
11 77.54 (30) (c), 77.54 (31), 77.54 (32), 77.54 (33), 77.54 (35), 77.54 (36), 77.54 (37), 77.54
12 (38), 77.54 (39), 77.54 (41), 77.54 (42), 77.54 (43), 77.54 (44), 77.54 (45), 77.54 (46),
13 77.54 (46m), 77.54 (47) (intro.), 77.54 (47) (b) 1. and 2., 77.54 (48) (a), 77.54 (49), 77.55
14 (1) (intro.), 77.55 (2), 77.55 (2m), 77.55 (3), 77.56 (1), 77.57, 77.58 (3) (b), 77.58 (6),
15 77.59 (9), 77.61 (1) (b), 77.61 (1) (c), 77.61 (4) (c), 77.65 (2) (e), 77.70, 77.705, 77.706,
16 77.707 (1), 77.707 (2), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4), 77.73 (2), 77.75, 77.785
17 (1), 77.785 (2), 77.98, 77.981, 77.982 (2), 77.99, 77.991 (2), 77.994 (1) (intro.), 77.9941
18 (4), 77.9951 (2), 77.996 (6), 77.9972 (2), 86.195 (3) (b) 3. and 218.0171 (2) (c) to
19 repeal and recreate 77.51 (7), 77.51 (17m), 77.63 and 77.995 (2) and to create *of the statutes*
20 20.566 (1) (ho), 73.03 (28e), 73.03 (50b), 73.03 (61), 77.51 (1b), 77.51 (1bm), 77.51 (1e),
21 77.51 (1n), 77.51 (1p), 77.51 (2k), 77.51 (2m), 77.51 (3p), 77.51 (3pd), 77.51 (3pe),
22 77.51 (3pj), 77.51 (3pm), 77.51 (3pp), 77.51 (3t), 77.51 (7m), 77.51 (9p), 77.51 (10m),
23 77.51 (10n), 77.51 (11m), 77.51 (12m), 77.51 (12p), 77.51 (13g) (c), 77.51 (13rm), 77.51
24 (15a), 77.51 (15b), 77.51 (17w), 77.51 (21p), 77.51 (22) (bm), 77.52 (1) (b), 77.52 (1)
25 (c), 77.52 (1) (d), 77.52 (2) (a) 13m., 77.52 (7b), 77.52 (14) (am), 77.522, 77.524 (1) (ag),

repeal and recreate

The repeal and recreation of sections

of the statutes

to

of the statutes

The creation of section

1 77.53 (1n), 77.53 (2) (b), 77.53 (9m) (b), 77.53 (9m) (c), 77.53 (11) (b), 77.54 (14b), 77.54
2 (20n), 77.54 (20p), 77.54 (20r), 77.54 (22b), 77.54 (22c), 77.54 (48m), 77.58 (6m), 77.58
3 (9a), 77.585, 77.59 (2m), 77.59 (9n), 77.59 (9p) (b), 77.59 (9r), 77.60 (13), 77.61 (2) (b),
4 77.61 (3m), 77.61 (5m), 77.61 (16), 77.67, 77.73 (3) and 77.77 (1) (b) of the statutes
5 of the statutes takes effect on January 1, 2008.

6

(END)

Sec # 77.9972(2) of the statutes is amended to read:

77.9972(2) no ff

INS LMK

it applies

(2) Sections 77.51 (4) (a), (b) 1, 2, and 4, (c) 1, to 3, and (d) and (14) (a) to (f), (j), and (k), 77.52, (4), (6), (13), (14), and (18), 77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, (3), as they apply to the taxes under subch. III, apply to the fee under this subchapter. Sections 77.72 (1) and (2) (a) and 77.73, as they apply to the taxes under subch. V, apply to the fee under this subchapter. The renter shall collect the fee under this subchapter from the person to whom the passenger car is rented. (15)

Section

77.585

(3m)

applies

X-refs need to be chgd. See following sheet.

Thanks,

Laura

See also ?s on p 4, 90, 92 relating to this list.

and (19) 77.522

End of ins LMK

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0728/?ins
JK:.....

Insert 4 - 1

1 **SECTION 1.** 20.566 (1) (ho) of the statutes is created to read: ✓
2 20.566 (1) (ho) *Collections under multistate streamlined sales tax project.* From
3 moneys collected under the multistate streamlined sales tax project as provided
4 under s. 73.03 (28e), a sum sufficient to pay the dues necessary to participate in the
5 governing board of the multistate streamlined sales tax project. ✓

Insert 5 - 3

6 **SECTION 2.** 73.03 (28e) of the statutes is created to read: ✓
7 73.03 (28e) To participate in the governing board of the multistate streamlined
8 sales tax project and to allocate a portion of the amount collected under ch. 77
9 through the project to the appropriation under s. 20.566 (1) (ho) to pay the dues
10 necessary to participate in the project. The department shall allocate the remainder
11 of such collections to the general fund. ✓

Kreye, Joseph

From: Gates-Hendrix, Sherrie L - DOR
Sent: Friday, December 22, 2006 9:59 AM
To: Kreye, Joseph; Easton, Darren - DOA
Subject: Streamlined Sales Tax drafting instructions

0728

Attachments: August 30, 2006 SSUTA Amendments - Diane.doc; 05-3193P2.pdf

Attached are the drafting instructions for the streamlined sales tax draft for inclusion in the budget bill. Our analyst (Craig Johnson) has drafted these as changes to the draft we were working on with you prior to the budget process, Joe. I've attached that LRB as well -- 3193/P2. Since Craig had already started to prepare these instructions based on that LRB, we thought it easiest to continue with that rather than have him re-work the instructions based on the recent budget draft 728.

Let me know if you have questions, or feel free to contact Craig directly, Joe.

Craig Johnson
(608) 785-9742
CJOHNSO6@dor.state.wi.us

Darren, when you get this draft back can you email it to both me and Anthony?

Thanks

Sherrie



August 30, 2006
SSUTA Amendmen..



05-3193P2.pdf
(286 KB)

CORRESPONDENCE/MEMORANDUM**STATE OF WISCONSIN
Department of Revenue**

Date: December 22, 2006
To: Diane Hardt
From: Craig Johnson
Subject: Additional Changes to LRB 3193/P2

The following changes must be made to LRB 3193/P2 before it is enacted to conform Wisconsin's laws to the Streamlined Sales and Use Tax Agreement (SSUTA). (Note: All references to the SSUTA in this memo refer to the SSUTA as amended through August 30, 2006 and all page numbers in this memo refer to the pages from LRB 3193/P2.) In addition, in situations where new definitions are needed, I have taken the definitions word-for-word from the SSUTA, if available. For example, the definition of "telecommunications service" that I have cited came directly from the SSUTA.

- ✓ Amend 77.524(1)(b) to indicate that a certified service provider is not responsible for "a retailer's obligation to remit tax on its own purchases." This is provided in Section 203 of the SSUTA.
- ✓ Amend sec. 77.51(10) to add "or any other legal entity" as provided in Section 208 of the SSUTA.
- ✓ Amend definition of "state" in sec. 77.65(2)(f) to include the Commonwealth of Puerto Rico as required in Section 213 of the SSUTA.
- ✓ Page 49 - Amend sec. 77.53(16) to provide that "state" as used in this section also includes Puerto Rico.
- ✓ Page 6 - Amend 73.03(61)(f) to provide that the database is available in a downloadable format.
- ✓ Page 39 - Add the definition of "ancillary services" to sec. 77.522(3) with respect to the telecommunication sourcing rules.
- ✓ Pages 40 and 41 - Amend sec. 77.522 to provide that "telecommunication internet access services" and "ancillary services" are sourced to the customer's place of primary use.
- ✓ Page 43 - Amend 77.522(4)(c) to change the date from January 1, 2006 to January 1, 2008.
- ✓ Page 37 - Amend 77.522(1)(d)4. to remove the "(1)" after 77.53
- ✓ Page 14 - Amend 77.51(9p) to remove the "s" in the phrase "bill of sales"
- ✓ Page 76 - Amend 77.60(13)(d) to insert "certificate" between "exemption" and "claiming".

- ✓ Page 15 - Amend 77.51(10m)(b)1. to change "subsection" to "subsector" since that is the term used in the NAICS manual. Also change "1997" to "2002." The SSUTA does not refer to a specific edition of the NAICS manual. Therefore, since 2002 is the most recent version, that version should be used.
- ✓ Page 7 - Amend sec. 77.51(1bm)(e) to add the word "seller's" before the word "purchase" in the fifth and eighth lines to be consistent with the definition of "bundled transaction" in the SSUTA. This also helps clarify that the computation is not based on the "purchaser's" purchase price or sales price, but instead on the "seller's" purchase price or sales price.
- ✓ Page 10 – Amend sec. 77.51(3pd) to amend the definition of direct mail to indicate that it includes billing invoices, return envelopes and additional marketing materials included with the mailing.
- ✓ Page 11 - Amend sec. 77.51(3pe)(b) to remove "purchase price or" to be consistent with the explanation of what "distinct and identifiable" do not include as provided in the SSUTA.
- ✓ Amend sec. 77.51(21m) (old definition of telecommunication services) to provide the following:
 - **"Telecommunications internet access service"** means sending messages and information transmitted through the use of local, toll and wide-area telephone service; channel services; computer exchange services; cellular mobile telecommunications service; specialized mobile radio; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or similar means between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities.
 - **"Telecommunications service"** means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. The term "telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value added. "Telecommunications service" does not include:
 - A. Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where such purchaser's primary purpose for the underlying transaction is the processed data or information;
 - B. Installation or maintenance of wiring or equipment on a customer's premises;
 - C. Tangible personal property;
 - D. Advertising, including but not limited to directory advertising.
 - E. Billing and collection services provided to third parties;

F. Internet access service;

G. Radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider. Radio and television audio and video programming services shall include but not be limited to cable service as defined in 47 USC 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20.3;

H. "Ancillary services"; or

I. Digital products "delivered electronically", including but not limited to software, music, video, reading materials or ring tones.

- Adopt the following definitions relating to "telecommunication services" to be consistent with the SSUTA as follows:

✓ **"Ancillary services"** means services that are associated with or incidental to the provision of "telecommunications services", including but not limited to "detailed telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

✓ **"Conference bridging service"** means an "ancillary service" that links two or more participants of an audio or video conference call and may include the provision of a telephone number. "Conference bridging service" does not include the "telecommunications services" used to reach the conference bridge.

(3c) ✓ **"Detailed telecommunications billing service"** means an "ancillary service" of separately stating information pertaining to individual calls on a customer's billing statement.

✓ **"Directory assistance"** means an "ancillary service" of providing telephone number information, and/or address information.

✓ **"Vertical service"** means an "ancillary service" that is offered in connection with one or more "telecommunications services", which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including "conference bridging services".

✓ **"Voice mail service"** means an "ancillary service" that enables the customer to store, send or receive recorded messages. "Voice mail service" does not include any "vertical services" that the customer may be required to have in order to utilize the "voice mail service".

✓ **"800 service"** means a "telecommunications service" that allows a caller to dial a toll-free number without incurring a charge for the call. ~~The service is typically marketed under the name~~ "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers designated by the Federal Communications Commission. *and*

in toll-free calling

✓ **"900 service"** means an inbound toll "telecommunications service" purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service. "900 service" does not include the charge for: collection services provided by the seller of the "telecommunications services" to the subscriber, or service or product sold by the subscriber to the subscriber's customer. The service is typically marketed under the name "900"

service, and any subsequent numbers designated by the Federal Communications Commission.

○ **"Fixed wireless service"** means a "telecommunications service" that provides radio communication between fixed points.

○ **"Mobile wireless service"** means a "telecommunications service" that is transmitted, conveyed or routed regardless of the technology used, whereby the origination and/or termination points of the transmission, conveyance or routing are not fixed, including, by way of example only, "telecommunications services" that are provided by a commercial mobile radio service provider.

○ **"Paging service"** means a "telecommunications service" that provides transmission of coded radio signals for the purpose of activating specific pagers; such transmissions may include messages and/or sounds.

○ **"Prepaid calling service"** means the right to access exclusively "telecommunications services", which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

○ **"Prepaid wireless calling service"** means a "telecommunications service" that provides the right to utilize "mobile wireless service" as well as other non-telecommunications services including the download of digital products "delivered electronically", content and "ancillary services", which must be paid for in advance that is sold in predetermined units of dollars of which the number declines with use in a known amount.

○ **"Private communications service"** means a "telecommunications service" that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels.

○ **"Value-added non-voice data service"** means a service that otherwise meets the definition of "telecommunications services" in which computer processing applications are used to act on the form, content, code, or protocol of the information or data primarily for a purpose other than transmission, conveyance or routing.

- Repeal sec. 77.52(2)(a)5.b. and amend sec. 77.52(2)(a)5.a. so that it continues to impose tax on:

- "Telecommunication Internet access services" and
- "Telecommunication services" and "ancillary services", except
 - Detailed telecommunications billing services
 - "800 service" that originates outside Wisconsin and terminates in Wisconsin
 - Value-added non-voice data services
- "Telecommunication services" and "ancillary services" including
 - Prepaid calling services
 - Prepaid wireless calling services

under
77.522
(3)
77.51

Section
77.52
sub 5

- ✓ Paging services
- ✓ Mobile wireless services
- ✓ Fixed wireless services
- ✓ 800 services, except as noted above
- ✓ 900 services
- ✓ Private communications services
- ✓ Conference bridging services
- ✓ Directory assistance
- ✓ Vertical services
- ✓ Voice mail services

- ✓ Amend sec. 77.52(2)(a)5m. to provide that this section does include any of the services that would be taxable under sec. 77.52(2)(a)5.a., as amended above. The reason this is needed is to make it clear that this imposition language is intending to tax something other than "telecommunication and ancillary services" and to prevent a person from arguing that the 2 sections of the statute (77.52(2)(a)5.a. and 77.52(2)(a)5m.), overlap, which may lead to sourcing issues and determining which section of the statutes controls.
- ✓ Pg. 84 line 21 - Sec. 77.71(1) - Add the phrase "and the property and items specified under s. 77.52(1)(b) to (d)" after the word property. This is needed to address the specific imposition language on certain items as provided in secs. 77.52(1)(a) to (d).
- ✓ Pg. 85 line 4 - Sec. 77.71(2) - Add the phrase "and the property and items specified under s. 77.52(1)(b) to (d)" after the first "property" in that line and add the word "item" after the second "property" in that line. This is needed to address the specific imposition language on certain specified items contained in secs. 77.52(1)(a) to (d).
- ✓ Pg. 85 line 8 - Sec. 77.71(2) - Add the word "item" after "property" in that line. This is needed to address the specific imposition language on certain specified items contained in secs. 77.52(1)(a) to (d).
- ✓ The references in sec. 77.9972(2) for the Regional Transit Authority Fee need to be updated due to the renumbering of the statutes. (Note: This section should be revised similar to the way sec. 77.991(2) was revised in draft LRB 3193/P2.)
- Pages 14 and 15 - Amend sec. 77.51(10m)(a)3. – the definition of "prepared food" to include the following:
 - 1 ✓ In determining whether the retailer meets the 75% test provided in 3.a., the numerator would include sales of (a) prepared food as defined in (a)1. and 2. of the definition of prepared food; and (b) food where plates, bowls, glasses or cups are necessary to receive the food (e.g., dispensed milk, salad bar), but excluding alcoholic beverages.
 - 2 ✓ In determining whether the retailer meets the 75% test provided in 3.a., the denominator would include sales of all food and food ingredients, including prepared food, candy, dietary supplements, and soft drinks, but excluding alcoholic beverages.

- 3 ✓ If the percentage, as computed above is 75% or less, utensils are provided by the retailer if the retailer's practice for the item (as represented by the retailer) is to physically give or hand the utensil to the purchaser, except that plates, bowls, glasses, or cups necessary for the purchaser to receive the food, such as in the case of dispensed milk, a salad bar or similar situation, need only be made available.
- 4 ✓ If the percentage, as computed above is greater than 75%, utensils are provided by the retailer if they are made available to purchasers.
- 5 ✓ For retailers with a sales percentage greater than 75% and who sell items that contain four (4) or more servings packaged as one item and sold for a single price, an item does not become prepared food due to the retailer having utensils available. However, if the retailer provides utensils for the item as in the third point above, then the item is prepared food. Whenever available, serving sizes will be determined based on a label on an item sold. If no label is available, a retailer will reasonably determine the number of servings in an item.
- 6 ✓ For retailers with a sales percentage greater than 75%, the packaging by the retailer of four (4) or more bakery products individually selected by the purchaser and sold for a single price does not constitute prepared food even if the retailer has utensils available.
- 7 ✓ When a retailer sells food items that have a utensil placed in a package by a person other than the retailer, and that person's NAICS classification code is that of manufacturers under subsector 311, the retailer shall not be considered to have provided the utensil except as provided in points 3, 4 and 5 above. For any other person with any other NAICS classification code, the retailer shall be considered to have provided the utensil.
- 8 ✓ A retailer shall calculate and determine whether or not they meet the 75% test described above for each tax year or business fiscal year, based on the retailer's data from the prior tax year or business fiscal year, as soon as possible after accounting records are available, but not later than 90 days after the beginning of the tax or business fiscal year.
- 9 ✓ For retailer's with more than one establishment in this state, a single computation and determination combining the information for all of the establishments in this state will be made annually and apply to all of that retailer's establishments in this state.
- 10 ✓ A new retailer is required to make a good faith estimate of their prepared food sales percentage for their first year. The new retailer must adjust its good faith estimate prospectively after the first three months of operation if the actual prepared food sales percentage materially affects the 75% threshold test.

- Monument* ?
- Page 15 – Amend sec. 77.51(10m)(a)3. to provide that even if a seller meets the 75% test, “prepared food” does not include
 - Page 26 - Amend sec. 77.51(20) – the definition of tangible personal property - to replace the phrase “computer programs except custom computer programs” with the phrase “prewritten computer software”.
 - ✓ Add the definition of “prewritten computer software” to mean:

- Computer software, including prewritten upgrades, which is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more "prewritten computer software" programs or prewritten portions thereof does not cause the combination to be other than "prewritten computer software." "Prewritten computer software" includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the specific purchaser. Where a person modifies or enhances "computer software" of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person's modifications or enhancements. "Prewritten computer software" or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains "prewritten computer software," provided, however, that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute "prewritten computer software."
- Add the definition of "load and leave" to mean:
 - Delivery to the purchaser by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser.
- Page 21 - Amend sec. 77.51(15a)(a) to remove the phrase "audiovisual works, finished artwork, literary works, and audio works" in both spots.
- Page 22 - Amend sec. 77.51(15a)(b)3. to remove the phrases "audiovisual works, finished artwork, literary works, and audio works" and the phrase "audiovisual work, finished artwork, literary work, and audio work".
- Page 27 - Delete sec. 77.52(1)(b) and renumber (c) and (d) as necessary.
- Page 66 - Delete sec. 77.54(48m)
- Amend sec. 77.65(4)(f) to provide that a seller may cancel its registration at any time under uniform procedures adopted by the governing board, but that the seller is still required to remit any Wisconsin taxes collected under the SSUTA to Wisconsin.
- Page 74 - Amend 77.59(9n) to also relieve from liability certified service providers, as defined in 77.51(1g) and seller's using certified automated systems, as defined in 77.524(1)(am), for any deficiency or refund that is the result of the certified service provider or seller using a certified automated system, relying on the certification of the system under sec. 73.03(61).
- Page 74 - 77.59 - Provide relief from liability for tax, interest and penalties for purchasers that relied on erroneous state provided data under sec. 73.03(61).

- With respect to changes related to the repeal of Section 312 (Multiple Points of Use) of the SSUTA, the following changes are needed:
 - Page 32 – sec. 77.52(14)(a) – Remove the phrase “, or accepts an exemption certificate claiming multiple points of use for tangible personal property, except computer software under s. 77.522(1)(d), (e), or (f)”
 - Page 34 – sec. 77.522(1)(b) – change “pars. (c) to (d)” to “par. (c)” since (d) relates to the multiple points of use provisions of the SSUTA which were repealed.
 - Page 36 – sec. 77.522(1)(d), (e) and (f) – Remove these sections since they are related to the multiple points of use provisions of the SSUTA which were repealed.
 - Page 45 – sec. 77.53(1n) – Remove this section since it relates solely to the multiple points of use provision of the SSUTA which was repealed.
 - Page 45-46 – sec. 77.53(2)(b) - Remove this section since it relates solely to the multiple points of use provision of the SSUTA which was repealed.
 - Page 48 – sec. 77.53(11)(a) – Remove the phrase “, or accepts an exemption certificate claiming multiple points of use for tangible personal property, except computer software under s. 77.522(1)(d), (e), or (f)”
 - Page 76 – sec. 77.60(13)(d) – Remove this section since there will no longer be an exemption certificate claiming multiple points of use.

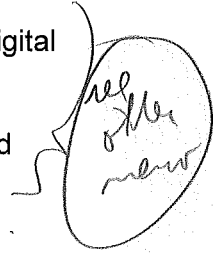
Date: January 16, 2007
To: Diane Hardt
From: Mike Hinnendael
Subject: Sales and Use Tax on Digital Goods; LRB-1796/4 and LRB-0728/2

This memo describes the law changes needed to impose sales and use taxes on digital goods. Because of changes in terminology and definitions relating to the Streamlined Sales and Use Tax Agreement ("Streamlined Agreement") since LRB-1796/4 was drafted and to coordinate the changes described here with the law changes proposed for Streamlined, I am assuming we are starting from scratch, rather than revising LRB-1796/4.

Note: The statutory sections referenced in this memo are to Wis. Stats. (2005-06), as amended by the Streamlined sales and use tax provisions in LRB-0728/2.

Definitions:

Following are terms that should be defined in sec. 77.51, along with recommended definitions that are consistent with the definitions from the Streamlined Agreement and/or the December 7, 2006 motion to amend terms in the Library of Definitions for the Streamlined Agreement:

- 17x* • "Specified digital goods" means digital audio visual works, digital audio works, and digital books.
 - 17x* ✓ "Additional digital goods" means video greeting cards sent by electronic mail, finished artwork, periodicals, and video or electronic games. 
 - ✓ "Digital audio visual works" means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any, that are transferred electronically. The following list contains examples and is not intended to be an all-inclusive list. "Digital audio visual works" shall include:
 1. Motion pictures;
 2. Musical videos;
 3. News programs; and
 4. Live events.
- "Digital audio visual works" shall not include:
1. Video greeting cards sent by electronic mail; and
 2. Video or electronic games.
- ✓ "Digital audio works" means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones, that are transferred electronically. The following list contains examples and is not intended to be an all-inclusive list. "Digital audio works" shall include:
 1. Prerecorded or live music;
 2. Prerecorded or live readings of books or other written materials;
 3. Prerecorded or live speeches; and

4. Ringtones.

"Digital audio works" shall not include:

1. Audio greeting cards sent by electronic mail.

• "Digital books" means works that are generally recognized in the ordinary and usual sense as a "book" and are transferred electronically. "Digital books" shall not be included within the definitions of "tangible personal property", "computer software", or "ancillary services". The following list contains examples and is not intended to be an all-inclusive list. "Digital books" shall include:

1. Novels;
2. Nonfiction works; and
3. Short stories.

"Digital books" shall not include:

1. Newspapers;
2. Periodicals;
3. Chat rooms; and
4. Weblogs.

• "Digital code" means a code which provides the holder with a right to obtain a "digital audio visual work", "digital audio work", or "digital book". A digital code may be obtained by any means, including electronic mail or by tangible means regardless of its designation as "song code", "video code", or "book code". The following list is intended to be an all-inclusive list. "Digital codes" shall include:

1. Codes used to access or obtain a digital audio visual work, digital audio work or digital book previously purchased, and
2. Promotion cards or codes which are purchased by a retailer or other business entity for use by its customers.

The following list is not intended to be an all-inclusive list. The term shall not include:

1. A code which represents a redeemable card, gift card or gift certificate that entitles the holder to select digital audio visual works, digital audio works or digital books of an indicated cash value, or
2. "Digital cash" which represents a monetary value which a consumer may use to pay for a future purchase.

• "Finished artwork" means the final art used for actual reproduction by photomechanical or other processes or for display purposes. "Finished artwork" also includes all of the following items regardless of whether such items are reproduced:

1. Drawings.
2. Paintings.
3. Designs.
4. Photographs.
5. Lettering.
6. Paste-ups.
7. Mechanicals.
8. Assemblies.

- 9. Charts.
- 10. Graphs.
- 11. Illustrative materials.

- "Ringtones" means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication. The following list contains examples and is not intended to be an all-inclusive list. "Ringtones" shall include:

1. MP3 or musical tones;
2. Polyphonic tones; and
3. Synthetic Music Mobile Application Format (SMAF) tones.

"Ringtones" shall not include ringback tones.

- "Transferred electronically" means accessed or obtained by the purchaser by means other than tangible storage media.

- Definition of "bundled transaction." See sec. 14 of LRB-0728/2, on pages 5 and 6. Section 77.51(1bm)(b) should be renumbered 77.51(1bm)(b)1. Section 77.51(1bm)(b)2 should be created to read: "The retail sale of a digital good and a service, if the digital good is essential to the use of the service, and provided exclusively in connection with the service, and if the true object of the transaction is the service."

Imposition of tax:

Section 77.52(1)(a), as renumbered and amended by LRB-0728/2, should be further amended to impose the tax on selling, licensing, leasing, or renting specified digital goods and additional digital goods at retail, regardless of whether the purchaser has the right of permanent use of the product or the purchaser's right to access or retain the product is other than permanent.

Section 77.53(1), as amended by LRB-0728/2, should be further amended to impose the tax on the storage, use or other consumption in this state of specified digital goods and additional digital goods, regardless of whether the purchaser has the right of permanent use of the product or the purchaser's right to access or retain the product is other than permanent.

Section 77.71(1), as amended by LRB-0728/2, should be further amended to impose the tax on selling, licensing, leasing, or renting specified digital goods and additional digital goods at retail in the county or special district, regardless of whether the purchaser has the right of permanent use of the product or the purchaser's right to access or retain the product is other than permanent.

Section 77.71(2), as amended by LRB-0728/2, should be further amended to impose the tax on the storage, use or other consumption in the county or special district of specified digital goods and additional digital goods, regardless of whether the purchaser has the right of permanent use of the product or the purchaser's right to access or retain the product is other than permanent.

Exemptions:

An exemption should be created in sec. 77.54 to read:

"The gross receipts from the sale of and the storage, use, or other consumption of digital goods that are transferred electronically to the purchaser, if the sale of and the storage,

use, or other consumption of such digital goods sold in a tangible form is exempt from taxation under this subchapter.”

Other:

The following provisions in the sales tax law need revision to make references to “specified digital goods” and “additional digital goods.” For example, sec. 77.51(1), as renumbered to 77.51(1d) by LRB-0728/2, should read:

“(1d) “Business” includes any activity engaged in by any person or caused to be engaged in by any person with the object of gain, benefit or advantage, either direct or indirect, and includes also the furnishing and distributing of tangible personal property, specified digital goods, additional digital goods or taxable services for a consideration by social clubs and fraternal organizations to their members or others.”

- ✓ 77.51(1), as renumbered to 77.51(1d) by LRB-0728/2
- ✓ 77.51(5), as amended by LRB-0728/2
- ✓ 77.51(9)(a) and (am)
- ✓ 77.51(12)(a) and (b)
- ✓ 77.51(12m)(a)(intro.), 1. and 6. and (b)2., as created by LRB-0728/2
- ✓ 77.51(13)(a), (b), (c), (d), (e), (f), (k), (m), and (n)
- ✓ 77.51(13r)
- ✓ 77.51(14)(intro.), (a), and (j), as amended by LRB-0728/2, and (b), (c), and (h)
- ✓ 77.51(14g)(a) to (f), (g), and (h)
- ✓ 77.51(15a)(a) and (b)2. and 3., as created by LRB-0728/2
- ✓ 77.51(15b)(a)(intro.), 1. and 6. and (b)2., as created by LRB-0728/2
- ✓ 77.51(17), as amended by LRB-0728/2
- ✓ 77.51(18)
- ✓ 77.51(22)(a) and (b)
- ✓ 77.51(22)(bm), as created by LRB-0728/2
- ✓ 77.52(4) and (12)
- ✓ 77.52(13), as amended by LRB-0728/2
- ✓ 77.52(14)(a)(intro.) and 1. and (b) as consolidated, renumbered 77.52(14)(a), and amended by LRB-0728/2
- ✓ 77.52(15), as amended by LRB-0728/2
- ✓ 77.52(16)
- ✓ 77.52(19)
- ✓ 77.522(2)(d), as created by LRB-0728/2. Note: After change, this should read: “A license of tangible personal property or a digital good shall be treated as a lease or rental of tangible personal property under this subsection.”
- ✓ 77.53(1), (3), (9), (10), (16), (17), and (18), as amended by LRB-0728/2
- ✓ 77.53(2), (12), (14), and (15)
- ✓ 77.53(9m), as renumbered (9m)(a) by LRB-0728/2
- ✓ 77.53(11), as renumbered (11)(a) and amended by LRB-0728/2
- ✓ 77.57, as amended by LRB-0728/2
- 77.58(3)(a)
- ✓ 77.58(6), as amended by LRB-0728/2
- ✓ 77.585(1)(a), (c), and (f), (2), (3), (4), (5), and (8), as created by LRB-0728/2
- ✓ 77.59(5m)
- ✓ 77.59(9), as amended by LRB-0728/2
- ✓ 77.59(9p)(b), as created by LRB-0728/2
- ✓ 77.61(4)(a) and (11)
- ✓ 77.63(3), as repealed and recreated by LRB-0728/2

- ✓ 77.65(2)(e), as amended by LRB-0728/2
- 77.66
- ✓ 77.72, as amended by LRB-0728/2
- ✓ 77.73(2), as amended by LRB-0728/2
- 77.77(1), as renumbered 77.77(1)(a) and amended by LRB-0728/2
- ✓ 77.785(1), as amended by LRB-0728/2

Kreye, Joseph

From: Hinnendael, Michael J - DOR
Sent: Thursday, January 18, 2007 9:47 AM
To: Kreye, Joseph
Subject: RE: Streamlined draft (LRB-0728/2)

Joe,

Thank you for your message. Regarding the definition of "digital code," I should have included this term in my 1/12/07 memo in the recommended definitions of "specified digital goods" and "additional digital goods." Please use the following definitions, instead of the definitions I provided in my 1/12/07 memo:

- ✓ • "Specified digital goods" means digital audio visual works, digital audio works, and digital books. The sale of or the storage, use, or other consumption of a digital code is treated the same as the sale of or the storage, use, or other consumption of the product to which the digital code relates.
- ✓ • "Additional digital goods" means video greeting cards sent by electronic mail, finished artwork, periodicals, and video or electronic games. The sale of or the storage, use, or other consumption of a digital code is treated the same as the sale of or the storage, use, or other consumption of the product to which the digital code relates.

Also, please use the following definition of "digital code":

- ✓ • "Digital code" means a code which provides the holder with a right to obtain a "specified digital good" or "additional digital good". A digital code may be obtained by any means, including electronic mail or by tangible means regardless of its designation as "song code", "video code", or "book code". The following list is intended to be an all-inclusive list. "Digital codes" shall include:
 1. Codes used to access or obtain a specified digital good or additional digital good previously purchased, and
 2. Promotion cards or codes which are purchased by a retailer or other business entity for use by its customers.

The following list is not intended to be an all-inclusive list. The term shall not include:

1. A code which represents a redeemable card, gift card or gift certificate that entitles the holder to select a specified digital good or additional digital good of an indicated cash value, or
2. "Digital cash" which represents a monetary value which a consumer may use to pay for a future purchase.

The exemption I requested for digital goods would only apply if the product would be exempt from sales and use taxes if sold in a tangible form. Creating this exemption eliminates the need to look at each exemption in sec. 77.54 and determine whether it must be amended so that it applies to specified digital goods and additional digital goods.

Please use the following language for the exemption, instead of the language I provided in my 1/12/07 memo:

✓ *gross*
"The gross receipts from the sale of and the storage, use, or other consumption of specified digital goods and additional digital goods that are transferred electronically to the purchaser, if the sale of and the storage, use, or other consumption of such digital goods sold in a tangible form is exempt from taxation under this subchapter."

Thanks again.

Mike

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Michael Hinnendael
Staff Specialist

01/18/2007

Wisconsin Department of Revenue
(608) 267-5022
mhinnen@dor.state.wi.us

From: Kreye, Joseph [mailto:Joseph.Kreye@legis.wisconsin.gov]
Sent: Wednesday, January 17, 2007 3:10 PM
To: Hinnendael, Michael J - DOR
Subject: Streamlined draft (LRB-0728/2)

Mike,

I have a couple of question srelated to the attached memo to Diane Hardt dated January 16. First, the memo provides for a definition for "digital code" but I don't see a reference to the term anyway else in the memo or in the underlying draft (LRB-0728/2). If we don't actually use the term then I cannot include it in the draft. Am I missing something?

Second, the memo asks for an exemption in s. 77.54 for "digital goods" but neither the memo nor the underlying draft provide a definition for "digital goods." What do you want to exempt? I assume you don't mean "additional digital goods" or "specified digital goods" because the memo indicates that those goods should be included in the imposition language.

Please advise. Thanks.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Easton, Darren - DOA
Sent: Friday, January 12, 2007 5:31 PM
To: Kreye, Joseph
Subject: FW: LRB Draft: 07-1431/1 Sales and use tax on electronic versions of certain tangible personal property

Joe,

The Word document attached here has some more additions to the definitions and some language on the imposition if taxes. It looks like you have the exemption language correct. I'll make sure DOR goes through them with a fine-toothed comb.

Darren

From: Frantzen, Jean [mailto:Jean.Frantzen@legis.wisconsin.gov]
Sent: Friday, January 12, 2007 10:05 AM
To: Easton, Darren - DOA
Cc: Koskinen, John - DOA; Hanaman, Cathlene - LEGIS; Palchik, Laurie A - DOA
Subject: LRB Draft: 07-1431/1 Sales and use tax on electronic versions of certain tangible personal property

Following is the PDF version of draft 07-1431/1.

01/18/2007

Date: January 19, 2007
To: Diane Hardt
From: Craig Johnson
Subject: Additional Changes to LRB 0728/2

The following changes must be made to LRB 0728/2 before it is enacted to conform Wisconsin's laws to the Streamlined Sales and Use Tax Agreement (SSUTA). (Note: All references to the SSUTA in this memo refer to the SSUTA as amended through December 14, 2006 and all page numbers in this memo refer to the pages from LRB 0728/2.)

- ✓ Page 2, line 22 – In sec. 73.03(28e), change “in the governing board of the multistate streamlined sales tax project” to “as a member state of the Streamlined Sales Tax Governing Board, Inc., which administers the Agreement, as defined in sec. 77.65(2)(a) and includes entering into contracts on behalf of the member states necessary to implement the Agreement.”
- ✓ Page 30, lines 23 and 25 – In sec. 77.51(21m), add back “telegraph services; teletypewriter;” and “stationary two-way radio; paging service;” so that it reads exactly the same as it did prior to adding the words “Internet access”. This is recommended to help prevent any arguments that Wisconsin is somehow imposing a “new tax” on Internet access.
- ✓ Page 31, line 24 – In sec 77.51(21n)(f) – add “Telecommunications” before Internet access to make it consistent with the terminology used in sec. 77.51(21m).
- ✓ Page 15, line 23 – change “give” to “physically give or hand” to be consistent with the language used in the SSUTA.
- ✓ Page 17, line 6 – change “give” to “physically give or hand” to be consistent with the language used in the SSUTA.
- ✓ Page 17, line 15 - change “gives” to “physically gives or hands” to be consistent with the language used in the SSUTA.
- ✓ Page 77, line 6 – remove “not”.
- ✓ Page 76, line 24 – Add “(intro.) Without regard to s. 73.03(47):” to make it clear the sellers, CSPs and purchasers will not be liable for tax, interest or penalties. Otherwise, s. 73.03(47) only absolves a taxpayer of the interest and penalties and not the tax.
- ✓ Page 76, lines 24 through page 77, line 6 – (This is to cover the liability relief provisions contained in secs. 306, 328, 331 and 502 of the SSUTA) – Remove the language currently contained in the draft and provide that “(a) No seller or certified service provider is liable for the tax, interest or penalties imposed on a transaction under this subchapter in the circumstances covered by secs. 306, 328 or 502 of the Agreement, as defined in sec. 77.65(2)(a).”

✓“(b) A purchaser is not liable for the tax, interest or penalties imposed on a transaction under this subchapter in the circumstances covered by sec. 331 of the Agreement, as defined in sec. 77.65(2)(a).”

- Page 43, line 8 – Change the title from “Telecommunications” to “Telecommunications, Ancillary and Telecommunications Internet Access Services”

- Page 45, lines 9 through 11 – Renumber (d)2. and split so that it becomes (h) and (i). (h) should read “The sale of a telecommunications internet access service occurs at the customer’s place of primary use.” Then, (i) should read “The sale of ancillary services occurs at the customer place of primary use.” Once this is done, on page 44, line 22 “(g)” will need to be changed to “(j)”. (Note: Sometimes the word “internet” is capitalized in the bill and sometimes it is not. For example, it is not capitalized in (d)2., but it is capitalized on page 31, line 24. I believe this should be consistent one way or the other.)

- ✓ Page 40, line 5 – Move the definition of “product” in 77.522(1)(a)2. to sec. 77.51 (general definitions) so that this definition applies to all of the subchapter, rather than just sec. 77.522. The reason it is need to apply to all of the subchapter rather than just sec. 77.522, is because, for example, the term “product” is used in the definition of “bundled transaction” in sec. 77.51(1bm).

- ✓ Page 9, lines 15 through 17 – Reword (a) something like the following so that it is consistent with the Streamlined definition: “Packaging, including containers, boxes, sacks, bags, bottles and envelopes; and other materials including wrapping, labels, tags, instruction guides; that accompany the retail sale of the products and are incidental or immaterial to, the retail sale of any product.

- Page 6, line 11 – Remove the word “tangible”.

- ✓ Page 6, lines 11 through 16 – (d) –Add the definition of “de minimis” so that (d) would read as follows:

ANP
“(d)1. A transaction that includes taxable and nontaxable products and the purchase price or the sales price of the products is de minimis.

(d)2. De minimis means the seller’s purchase price or sales price of the taxable products is ten percent (10%) or less of the seller’s total purchase price or sales price of the bundled products.

(d)3. Sellers shall use either their purchase price or sales price of the products to determine if the taxable products are de minimis, but may not use a combination of the purchase price or sales price to determine if the taxable products are de minimis.

(d)4. In the case of a service contract, the full term of the service contract shall be used to determine if the products are de minimis.”

- ✓ Page 34, line 5 – Insert “, as determined under sec. 77.522,” between “state” and “to”.

• Page 33, line 16 - Insert ", as determined under sec. 77.522," after the word "state".

- Page 34, lines 11 through page 35, line 2 – Have the imposition language in sec. 77.52(2)(a)5 read as follows:
"The sale of:
 - a. Intrastate, interstate and international telecommunications services, except interstate 800 service;
 - b. Telecommunications internet access services;
 - c. Ancillary services, except detailed telecommunications billing services."

The rest of the language that is contained in LRB-0728/2 in 77.52(2)(a)5. should be removed since it is not necessary.

(6r) • Adopt the definition of "Intrastate" to mean "A telecommunications service that originates in one United States state or United States territory or possession, and terminates in the same United States state or United States territory or possession."

(6r) • Adopt the definition of "Interstate" to mean "A telecommunications service that originates in one United States state or United States territory or possession, and terminates in a different United States state or United States territory or possession."

(6d) • Adopt the definition of "International" to mean "A telecommunications service that originates or terminates in one United States state or United States territory or possession, and originates or terminates outside the United States state or United States territory or possession."

- Page 46, line 15.5 – Insert (j) to state that "If the location of the customer's service address, channel termination point or place of primary use is not known, the location where the seller receives ^{of} ~~of/hands off~~ the signal shall be deemed to be the customer's service address, channel termination point, or place of primary use." This language was adopted as part of a rule, that became part of the SSUTA, at the SST Governing Board meeting in Seattle, WA on 12/14/06. *considered in original SSUTA section*

- Page 17, lines 20 through 24 – remove all of b. This will be done as part of an administrative rule, rather than statutorily. Then change 3.a. to read: "3. For a retailer... determination."

- Page 19, lines 1 through 16 – Section 77.51(10r) contains the definition of "prewritten computer software." I have reviewed the language and it appears to cover the same items as are included in the SSUTA. However, I have some concerns with writing our definition using language that is different than what is contained in the SSUTA. Therefore, I would recommend that we draft our definition of "prewritten computer software" word for word as it is drafted in the SSUTA, to make it clear that Wisconsin is consistent with Streamline. In addition, with a final decision still pending in the *Menasha* case, I believe this language will be very heavily scrutinized to make sure Wisconsin's statutes are consistent with the SSUTA.

NO

- ✓ Page 85, line 3 – Change “seller registers under par. (a).” to “sellers collection obligation begins.”
- ✓ Page 82, lines 22 through 25 – Add “jointly with other states as a member state of the Streamlined Sales Tax Governing Board, Inc.” between “into” and “pursuant”. This is needed so that it is clear that the SST governing board can enter into contracts providing for compensation of certain persons on behalf of the State of Wisconsin, as provided in the SSUTA.
- ✓ Page 81, lines 21 through 25 – (Section 321 of the SSUTA) Add “what information it collects,” between “including” and “how” on line 24. Add “how long, if at all, it retains the information,” between “information,” and “and” on line 25. Add “to the member state” at the end of the sentence on line 25.
- ✓ Page 82, line 1 – Add “collect, use, and” between “may” and “retain”
- ✓ Page 82, line 12.5 – Insert “(e) ^{For purpose of the rule.} The state shall provide public notification to consumers of the state’s practices relating to the collection, use and retention of personally identifiable information.” The current (e) will need to be renumbered to (f).
- ✓ Page 82, line 16.5 – Insert “(g) The state shall provide an individual reasonable access to that individual’s personally identifiable information and the right to correct any inaccurately recorded information.”
- ✓ Page 82, line 16.5 – Insert “(h) ^{an individual} If any person, other than another member state or other person authorized under state law, seeks to discover personally identifiable information, the state shall make a reasonable and timely effort to notify the individual of such request.”
- ✓ Page 82, lines 3 through 9 – Delete the language from “A certified service provider...the individual of the request.” When the original bill was drafted, this language was included. However, these are not requirements under sec. 321 of the SSUTA that have been placed on the certified service provider, but instead are requirements placed on the state and are covered in the 3 bullet points immediately preceding this one.