



1 **SECTION 173.** 77.54 (40) of the statutes is repealed.

2 **SECTION 174.** 77.54 (41) of the statutes is amended to read:

3 77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,
4 supplies and equipment to; and the storage, use or other consumption of those kinds
5 of property by; owners, contractors, subcontractors or builders if that property is
6 acquired solely for or used solely in, the construction, renovation or development of
7 property that would be exempt under s. 70.11 (36).

8 **SECTION 175.** 77.54 (42) of the statutes is amended to read:

9 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use
10 or other consumption of animal identification tags provided under s. 93.06 (1h) and
11 standard samples provided under s. 93.06 (1s).

12 **SECTION 176.** 77.54 (43) of the statutes is amended to read:

13 77.54 (43) The ~~gross receipts~~ sales price from the sale of and the storage, use
14 or other consumption of raw materials used for the processing, fabricating or
15 manufacturing of, or the attaching to or incorporating into, printed materials that
16 are transported and used solely outside this state.

17 **SECTION 177.** 77.54 (44) of the statutes, as affected by 2005 Wisconsin Act 141,
18 is amended to read:

19 77.54 (44) The ~~gross receipts~~ sales price from the collection of low-income
20 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

21 **SECTION 178.** 77.54 (45) of the statutes is amended to read:

22 77.54 (45) The ~~gross receipts~~ sales price from the sale of and the use or other
23 consumption of a onetime license or similar right to purchase admission to
24 professional football games at a football stadium, as defined in s. 229.821 (6), that
25 is granted by a municipality; a local professional football stadium district; or a

1 professional football team or related party, as defined in s. 229.821 (12); if the person
2 who buys the license or right is entitled, at the time the license or right is transferred
3 to the person, to purchase admission to at least 3 professional football games in this
4 state during one football season.

5 **SECTION 179.** 77.54 (46) of the statutes is amended to read:

6 77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,
7 or other consumption of the U.S. flag or the state flag. This subsection does not apply
8 to a representation of the U.S. flag or the state flag.

9 **SECTION 180.** 77.54 (46m) of the statutes is amended to read:

10 77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
11 or other consumption of telecommunications services, if the telecommunications
12 services are obtained by using the rights to purchase telecommunications services,
13 including purchasing reauthorization numbers, by paying in advance and by using
14 an access number and authorization code; and if the tax imposed under s. 77.52 or
15 77.53 was previously paid on the sale or purchase of such rights.

16 **SECTION 181.** 77.54 (47) (intro.) of the statutes is amended to read:

17 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
18 use, or other consumption of all of the following:

19 **SECTION 182.** 77.54 (47) (b) 1. and 2. of the statutes are amended to read:

20 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
21 s. 77.52 on its ~~gross receipts~~ the sales price from charges for shooting at the facility.

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

1 **SECTION 183.** 77.54 (48) (a) of the statutes, as created by 2005 Wisconsin Act
2 479, is amended to read:

3 77.54 (48) (a) Subject to 2005 Wisconsin Act 479, section 17, the ~~gross receipts~~
4 sales price from the sale of and the storage, use, or other consumption of Internet
5 equipment used in the broadband market, if the purchaser certifies to the
6 department of commerce, in the manner prescribed by the department of commerce,
7 that the purchaser will, within 24 months after July 1, 2007, make an investment
8 that is reasonably calculated to increase broadband Internet availability in this
9 state.

10 **SECTION 184.** 77.54 (49) of the statutes is amended to read:

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

23 **SECTION 185.** 77.55 (1) (intro.) of the statutes is amended to read:

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

4 **SECTION 186.** 77.55 (2) of the statutes is amended to read:

5 77.55 (2) There are is exempted from the computation of the amount of the sales
6 tax the ~~gross receipts~~ sales price from sales of tangible personal property to a
7 common or contract carrier, shipped by the seller via the purchasing carrier under
8 a 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 and the property is actually transported
10 to the out-of-state destination for use by the carrier in the conduct of its business
11 as a carrier.

12 **SECTION 187.** 77.55 (2m) of the statutes is amended to read:

13 77.55 (2m) There are is exempted from the computation of the amount of sales
14 tax the ~~gross receipts~~ sales price from sales of railroad crossties to a common or
15 contract carrier, shipped wholly or in part by way of the purchasing carrier under a
16 bill of lading, whether the freight is paid in advance or the shipment is made freight
17 charges collect, to a point outside this state if the property is transported to the
18 out-of-state destination for use by the carrier in the conduct of its business as a
19 carrier. Interruption of the shipment for storage, drying, processing or creosoting of
20 the railroad crossties in this state does not invalidate the exemption under this
21 subsection.

22 **SECTION 188.** 77.55 (3) of the statutes is amended to read:

23 77.55 (3) There are is exempted from the computation of the amount of the sales
24 tax the ~~gross receipts~~ sales price from sales of tangible personal property purchased
25 for use solely outside this state and delivered to a forwarding agent, export packer,

1 or other person engaged in the business of preparing goods for export or arranging
2 for their exportation, and actually delivered to a port outside the continental limits
3 of the United States prior to making any use thereof.

4 SECTION 189. 77.56 (1) of the statutes is amended to read:

5 77.56 (1) The storage, use or other consumption in this state of property, the
6 ~~gross receipts~~ sales price from the sale of which are is reported to the department in
7 the measure of the sales tax, is exempted from the use tax.

8 SECTION 190. 77.57 of the statutes is amended to read:

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

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18 SECTION 191. 77.58 (3) (b) of the statutes is amended to read:

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

1 ~~which became subject to the use tax during the preceding reporting period.~~ The
2 return shall also show the amount of the taxes for the period covered by the return
3 and such other information as the department deems necessary for the proper
4 administration of this subchapter.

5 **SECTION 192.** 77.58 (6) of the statutes is amended to read:

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

9 **SECTION 193.** 77.58 (6m) of the statutes is created to read:

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

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

17 **SECTION 194.** 77.58 (9a) of the statutes is created to read:

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

24 **SECTION 195.** 77.585 of the statutes is created to read:

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

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

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

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1 (d) A seller may obtain a refund of the tax collected on any bad debt amount
2 deducted under par. (b) that exceeds the amount of the seller's taxable sales as
3 provided under s. 77.59 (4), except that the period for making a claim as determined
4 under s. 77.59 (4) begins on the date on which the return on which the bad debt could
5 be claimed would have been required to be submitted to the department under s.
6 77.58.

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

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

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

24 (3) If a purchaser of tangible personal property has reimbursed the vendor of
25 the property for the sales tax on the sale and subsequently, before making any use
in goods

1 of the property ^{or goods} other than retention, demonstration, or display while holding it for
 2 sale or rental, makes a taxable sale of the property, ^{or goods} the tax due on the taxable sale
 3 may be offset by the tax reimbursed.

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

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

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

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

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24 (8) A sale or purchase involving transfer of ownership of property is completed
 25 at the time when possession is transferred by the seller or the seller's agent to the

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1 purchaser or the purchaser's agent, except that for purposes of sub. (1) a common
2 carrier or the U.S. postal service shall be considered the agent of the seller, regardless
3 of any f.o.b. point and regardless of the method by which freight or postage is paid.

4 SECTION 196. 77.59 (2m) of the statutes is created to read:

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

8 SECTION 197. 77.59 (9) of the statutes is amended to read:

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

23 SECTION 198. 77.59 (9n) of the statutes is created to read:

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

tax, interest, or penalties imposed on a transaction

Notwithstanding s. 73.03 (47);

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~~provider relying on erroneous information contained in a database maintained under s. 73.03 (61) (e) or (f).~~ *in circumstances covered under sections 306, 328, and 502 of the agreement, or defined in s. 77.65(2)(a)*

(b) No seller or certified service provider who uses a certified automated system certified under s. 73.03 (61) (b) is liable for any tax, interest, or penalties imposed under this subchapter that result from using the certified automated system and the system is ~~operating~~ *operating as certified* *specified digital goods; or additional digital goods;*

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SECTION 199. 77.59 (9p) (b) of the statutes is created to read:

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

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1 **SECTION 200.** 77.59 (9r) of the statutes is created to read:

2 77.59 (9r) With regard to a purchaser's request for a refund under this section,
3 a seller is presumed to have reasonable business practices if the seller uses a certified
4 service provider, a certified automated system, as defined in s. 77.524 (1) (am), or a
5 proprietary system certified by the department to collect the taxes imposed under
6 this subchapter and if the seller has remitted to the department all taxes collected
7 under this subchapter, less any deductions, credits, or allowances.

8 **SECTION 201.** 77.60 (13) of the statutes is created to read:

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

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

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

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

18 **SECTION 202.** 77.61 (1) (b) of the statutes is amended to read:

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

24 **SECTION 203.** 77.61 (1) (c) of the statutes is amended to read:

1 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, mobile homes
2 not exceeding 45 feet in length, trailers, semitrailers, all-terrain vehicles or aircraft
3 registered or titled, or required to be registered or titled, in this state purchased from
4 persons who are not ~~Wisconsin boat, trailer or semitrailer dealers, licensed~~
5 ~~Wisconsin aircraft, motor vehicle or mobile home dealers or registered Wisconsin~~
6 ~~snowmobile or all-terrain vehicle dealers~~ retailers, the purchaser shall file a sales
7 tax return and pay the tax prior to registering or titling the motor vehicle, boat,
8 snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,
9 all-terrain vehicle or aircraft in this state.

10 **SECTION 204.** 77.61 (2) of the statutes is renumbered 77.61 (2) (intro.) and
11 amended to read:

12 77.61 (2) (intro.) In order to protect the revenue of the state:

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

1 this subsection shall be returned to the taxpayer if the taxpayer has, for 24
2 consecutive months, complied with all the requirements of this subchapter.

3 **SECTION 205.** 77.61 (2) (b) of the statutes is created to read:

4 77.61 (2) (b) A certified service provider who has contracted with a seller, and
5 filed an application, to collect and remit sales and use taxes imposed under this
6 subchapter on behalf of the seller shall submit a surety bond to the department to
7 guarantee the payment of sales and use taxes, including any penalty and interest on
8 such payment. The department shall approve the form and contents of a bond
9 submitted under this paragraph and shall determine the amount of such bond. The
10 surety bond shall be submitted to the department within 60 days after the date on
11 which the department notifies the certified service provider that the certified service
12 provider is registered to collect sales and use taxes imposed under this subchapter.
13 If the department determines, with regards to any one certified service provider, that
14 no bond is necessary to protect the tax revenues of this state, the secretary of revenue
15 or the secretary's designee may waive the requirements under this paragraph with
16 regard to that certified service provider. Any bond submitted under this paragraph
17 shall remain in force until the secretary of revenue or the secretary's designee
18 releases the liability under the bond.

19 **SECTION 206.** 77.61 (3) of the statutes is repealed.

20 **SECTION 207.** 77.61 (3m) of the statutes is created to read:

21 77.61 (3m) A retailer shall use a straight mathematical computation to
22 determine the amount of the tax that the retailer may collect from the retailer's
23 customers. The retailer shall calculate the tax amount by combining the applicable
24 tax rates under this subchapter and subch. V and multiplying the combined tax rate
25 by the sales price or purchase price of each item or invoice, as appropriate. The

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1 retailer shall calculate the tax amount to the 3rd decimal place, disregard tax
2 amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less
3 than 1 cent to be an additional cent. The use of a straight mathematical computation,
4 as provided in this subsection, shall not relieve the retailer from liability for payment
5 of the full amount of the tax levied under this subchapter.

6 SECTION 208. 77.61 (4) (c) of the statutes is amended to read:

7 77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax
8 imposed on the retailer under s. 77.53 (3) and the accounting connected with it,
9 retailers, not including certified service providers, may deduct 0.5% of those taxes
10 payable or \$10 for that reporting period required under s. 77.58 (1), whichever is
11 greater, but not more than the amount of the sales taxes or use taxes that is payable
12 under ss. 77.52 (1) and 77.53 (3) for that reporting period required under s. 77.58 (1),
13 as administration expenses if the payment of the taxes is not delinquent. For
14 purposes of calculating the retailer's discount under this paragraph, the taxes on
15 retail sales reported by retailers under subch. V, including taxes collected and
16 remitted as required under s. 77.785, shall be included if the payment of those taxes
17 is not delinquent.

18 SECTION 209. 77.61 (5m) of the statutes is created to read:

19 77.61 (5m) (a) In this subsection, "personally identifiable information" means
20 any information that identifies a person.

21 (b) A certified service provider may use personally identifiable information as
22 necessary only for the administration of its system to perform a seller's sales and use
23 tax functions and shall provide consumers clear and conspicuous notice of its practice
24 regarding such information, including ^{what information it collects;} how it collects the information, how it uses the
25 information, and under what circumstances it discloses the information.

^{if at all}
^{if at all} how long it retains the information;

collect, use, and

1 (c) A certified service provider may retain personally identifiable information
 2 only to verify exemption claims, to investigate fraud, and to ensure its system's
 3 reliability. ~~A certified service provider who retains an individual's personally
 4 identifiable information shall provide reasonable notice of such retention to the
 5 individual and shall provide the individual reasonable access to the information and
 6 an opportunity to correct inaccurate information. If any person, other than a state
 7 that is a signatory to the agreement, as defined in s. 77.65 (2) (a), requests access to
 8 an individual's personally identifiable information, the certified service provider
 9 shall make a reasonable and timely effort to notify the individual of the request.~~

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

13 (e) The state shall not retain personally identifiable information obtained for
 14 purposes of administering this subchapter unless the state is otherwise required to
 15 retain the information by law or as provided under the agreement, as defined in s.
 16 77.65 (2) (a).

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SECTION 210. 77.61 (16) of the statutes is created to read:

17 **77.61 (16)** Any person who remits taxes and files returns under this subchapter
 18 may designate an agent, as defined in s. 77.524 (1) (ag), to remit such taxes and file
 19 such returns with the department in a manner prescribed by the department.
 20

SECTION 211. 77.63 of the statutes is repealed and recreated to read:

21 **77.63 Collection compensation.** The following persons may retain a portion
 22 of sales and use taxes collected on retail sales under this subchapter and subch. V
 23 in an amount determined by the department and by contracts that the department
 24 enters into pursuant to the agreement, as defined in s. 77.65 (2) (a):

jointly with other states as a member state of the streamlined sales tax governing board

1 (1) A certified service provider.

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

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

14 **SECTION 212.** 77.65 (2) (c) of the statutes is repealed.

15 **SECTION 213.** 77.65 (2) (e) of the statutes is amended to read:

16 77.65 (2) (e) "Seller" means any person who sells, leases, or rents tangible
17 personal property or services.

18 **SECTION 214.** 77.65 (2) (f) of the statutes is amended to read:

19 77.65 (2) (f) "State" means any state of the United States and, the District of
20 Columbia, and the Commonwealth of Puerto Rico.

21 **SECTION 215.** 77.65 (4) (fm) of the statutes is created to read:

22 77.65 (4) (fm) Provide that a seller who registers with the central electronic
23 registration system under par. (f) may cancel the registration at any time, as
24 provided under uniform procedures adopted by the governing board of the states that

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1 are signatories to the agreement, but is required to remit any Wisconsin taxes
2 collected pursuant to the agreement to the department.

3 SECTION 216. 77.67 of the statutes is created to read:

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

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

12 (b) The seller registers under par. (a) no later than 365 days after the effective
13 date of this state's participation in the agreement under s. 77.65 (2) (a), as
14 determined by the department.

15 (c) The seller was not registered to collect and remit the taxes imposed under
16 this subchapter and subch. V during the 365 consecutive days immediately before
17 the effective date of this state's participation in the agreement under s. 77.65 (2) (a),
18 as determined by the department.

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

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

1 (f) The seller collects and remits the taxes imposed under this subchapter and
2 subch. V on sales to purchasers in this state for at least 3 consecutive years after the
3 date on which the ~~seller registers under par. (a)~~ *seller's collection obligation begins*

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

6 **SECTION 217.** 77.70 of the statutes is amended to read:

7 **77.70 Adoption by county ordinance.** Any county desiring to impose county
8 sales and use taxes under this subchapter may do so by the adoption of an ordinance,
9 stating its purpose and referring to this subchapter. The county sales and use taxes
10 may be imposed only for the purpose of directly reducing the property tax levy and
11 only in their entirety as provided in this subchapter. That ordinance shall be
12 effective on the first day of January, the first day of April, the first day of July or the
13 first day of October. A certified copy of that ordinance shall be delivered to the
14 secretary of revenue at least 120 days prior to its effective date. The repeal of any
15 such ordinance shall be effective on December 31. A certified copy of a repeal
16 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before
17 the effective date of the repeal.

18 **SECTION 218.** 77.705 of the statutes is amended to read:

19 **77.705 Adoption by resolution; baseball park district.** A local
20 professional baseball park district created under subch. III of ch. 229, by resolution
21 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at
22 a rate of no more than 0.1% of the ~~gross receipts or sales price or purchase price.~~
23 Those taxes may be imposed only in their entirety. The resolution shall be effective
24 on the first day of the first month January 1, April 1, July 1, or October 1 that begins
25 at least ~~30~~ 120 days after the adoption of the resolution. Any moneys transferred

1 from the appropriation account under s. 20.566 (1) (gd) to the appropriation account
2 under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt.

3 **SECTION 219.** 77.706 of the statutes is amended to read:

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

15 **SECTION 220.** 77.707 (1) of the statutes is amended to read:

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

24 **SECTION 221.** 77.707 (2) of the statutes is amended to read:

1 77.707 (2) Retailers and the department of revenue may not collect a tax under
2 s. 77.706 for any local professional football stadium district created under subch. IV
3 of ch. 229 after the last day of the calendar quarter during that is at least 120 days
4 from the date on which the local professional football stadium district board makes
5 all of the certifications to the department of revenue under s. 229.825 (3), except that
6 the department of revenue may collect from retailers taxes that accrued before the
7 day after the last day of that calendar quarter and fees, interest and penalties that
8 relate to those taxes.

9 **SECTION 222.** 77.71 (1) of the statutes is amended to read:

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

19 **SECTION 223.** 77.71 (2) of the statutes is amended to read:

20 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax
21 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
22 purchase price upon every person storing, using or otherwise consuming in the
23 county or special district tangible personal property, property and items specified
24 under s. 77.52 (1) (b) ~~and (c)~~ ^{to (d)} or services if the property, item, or service is subject to
25 the state use tax under s. 77.53, except that a receipt indicating that the tax under

1 sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax under this
2 subsection and except that if the buyer has paid a similar local tax in another state
3 on a purchase of the same property, item, or services that tax shall be credited against
4 the tax under this subsection and except that for motor vehicles that are used for a
5 purpose in addition to retention, demonstration or display while held for sale in the
6 regular course of business by a dealer the tax under this subsection is imposed not
7 on the sales purchase price but on the amount under s. 77.53 (1m).

8 **SECTION 224.** 77.71 (3) of the statutes is amended to read:

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

19 **SECTION 225.** 77.71 (4) of the statutes is amended to read:

20 77.71 (4) An excise tax is imposed at the rate of 0.5% in the case of a county tax
21 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
22 purchase price upon every person storing, using or otherwise consuming a motor
23 vehicle, boat, ~~snowmobile~~, mobile home not exceeding 45 feet in length, ~~trailer~~,
24 ~~semitrailer~~, ~~all-terrain-vehicle~~ or aircraft, if that property must be registered or
25 titled with this state and if that property is to be customarily kept in a county that

1 has in effect an ordinance under s. 77.70 or in a special district that has in effect a
2 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local
3 sales tax in another state on a purchase of the same property that tax shall be
4 credited against the tax under this subsection.

5 SECTION 226. 77.72 (title) of the statutes is repealed.

6 SECTION 227. 77.72 (1) of the statutes is renumbered 77.72 and amended to
7 read:

8 **77.72 General rule for property.** For the purposes of this subchapter, all
9 retail sales of tangible personal property are completed at the time when, and the
10 place where, the seller or the seller's agent transfers possession to the buyer or the
11 buyer's agent. In this subsection, a common carrier or the U.S. postal service is the
12 agent of the seller, regardless of any f.o.b. point and regardless of the method by
13 which freight or postage is paid. Rentals and leases of property, except property
14 under sub. (2), have a situs at the location of that property, and property and items
15 specified under s. 77.52 (1) (b) ~~and (c)~~ ^{to (d)}, and taxable services occur as provided in s.
16 77.522.

17 SECTION 228. 77.72 (2) and (3) of the statutes are repealed.

18 SECTION 229. 77.73 (2) of the statutes is amended to read:

19 77.73 (2) Counties and special districts do not have jurisdiction to impose the
20 tax under s. 77.71 (2) in regard to tangible personal property, except snowmobiles,
21 trailers, semitrailers, and all-terrain vehicles, purchased in a sale that is
22 consummated in another county or special district in this state that does not have
23 in effect an ordinance or resolution imposing the taxes under this subchapter and
24 later brought by the buyer into the county or special district that has imposed a tax
25 under s. 77.71 (2).

specified digital goods, additional digital goods, and

1 **SECTION 230.** 77.73 (3) of the statutes is created to read:

2 77.73 (3) Counties and special districts have jurisdiction to impose the taxes
3 under this subchapter on retailers who file an application under s. 77.52 (7) or who
4 register under s. 77.53 (9) or (9m), regardless of whether such retailers are engaged
5 in business in the county or special district, as provided in s. 77.51 (13g). A retailer
6 who files an application under s. 77.52 (7) or who registers under s. 77.53 (9) or (9m)
7 shall collect, report, and remit to the department the taxes imposed under this
8 subchapter for all counties and special districts that have an ordinance or resolution
9 imposing the taxes under this subchapter.

10 **SECTION 231.** 77.75 of the statutes is amended to read:

11 **77.75 Reports.** Every person subject to county or special district sales and use
12 taxes shall, for each reporting period, record that person's sales made in the county
13 or special district that has imposed those taxes separately from sales made
14 elsewhere in this state and file a report of the measure of the county or special district
15 sales and use taxes and the tax due thereon separately as prescribed by the
16 department of revenue.

17 **SECTION 232.** 77.77 (1) of the statutes is renumbered 77.77 (1) (a) and amended
18 to read:

19 77.77 (1) (a) The ~~gross receipts~~ sales price from services subject to the tax under
20 s. 77.52 (2) ~~are not or the lease, rental, or license of tangible personal property, and~~
21 property and items specified under s. 77.52 (1) (b) ^e and (c) ^{to (d)}, is subject to the taxes under
22 this subchapter, and the incremental amount of tax caused by a rate increase
23 applicable to those services, leases, rentals, or licenses is not due, if those services
24 are billed to the customer and paid for before beginning with the first billing period
25 starting on or after the effective date of the county ordinance, special district

1 resolution, or rate increase, regardless of whether the service is furnished or the
2 property or item is leased, rented, or licensed to the customer before or after that
3 date.

4 **SECTION 233.** 77.77 (1) (b) of the statutes is created to read:

5 77.77 (1) (b) The sales price from services subject to the tax under s. 77.52 (2)
6 or the lease, rental, or license of tangible personal property, and property and items
7 specified under s. 77.52 (1) (b) ~~and (c)~~^{to (d)}, is not subject to the taxes under this
8 subchapter, and a decrease in the tax rate imposed under this subchapter on those
9 services first applies, beginning with bills rendered on or after the effective date of
10 the repeal or sunset of a county ordinance or special district resolution imposing the
11 tax or other rate decrease, regardless of whether the service is furnished or the
12 property is leased, rented, or licensed to the customer before or after that date.

13 **SECTION 234.** 77.77 (2) of the statutes is repealed.

14 **SECTION 235.** 77.785 (1) of the statutes is amended to read:

15 77.785 (1) All retailers shall collect and report the taxes under this subchapter
16 on the gross receipts sales price from leases and rentals of property under s. 77.71
17 (4).

18 **SECTION 236.** 77.785 (2) of the statutes is amended to read:

19 77.785 (2) Prior to registration or titling, a retailer of a boat, all-terrain vehicle,
20 trailer and semi-trailer dealers and licensed aircraft, motor vehicle, or mobile home
21 and snowmobile dealers shall collect the taxes under this subchapter on sales of
22 items under s. 77.71 (4). The ~~dealer~~ retailer shall remit those taxes to the
23 department of revenue along with payments of the taxes under subch. III.

24 **SECTION 237.** 77.98 of the statutes is amended to read:

specified digital goods, and
additional digital goods

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

8 **SECTION 238.** 77.981 of the statutes is amended to read:

9 **77.981 Rate.** The tax under s. 77.98 is imposed on the sale of taxable products
10 at the rate of 0.25% of the ~~gross receipts~~ sales price, except that the district, by a vote
11 of a majority of the authorized members of its board of directors, may impose the tax
12 at the rate of 0.5% of the ~~gross receipts~~ sales price. A majority of the authorized
13 members of the district's board may vote that, if the balance in a special debt service
14 reserve fund of the district is less than the requirement under s. 229.50 (5), the tax
15 rate under this subchapter is 0.5%. The 0.5% rate shall be effective on the next
16 January 1, April 1, July 1 or October 1, and this tax is irrevocable if any bonds issued
17 by the district and secured by the special debt service reserve fund are outstanding.

18 **SECTION 239.** 77.982 (2) of the statutes is amended to read:

19 77.982 (2) Sections 77.51 (4) ~~(a), (b) 1., 2. and 4., (e) 1. to 3. and (d) (12m), (14)~~
20 ~~(a) to (f), (j) and (k) and, (14g), (15a), and (15b), 77.52 (3), (6), (4), (13), (14), (18), and~~
21 ~~(19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5),~~
22 ~~(8), (9), and (12) to (14) (15), and 77.62, as they apply to the taxes under subch. III,~~
23 apply to the tax under this subchapter. Sections ~~77.72 (1) and Section 77.73, as they~~
24 ~~apply~~ it applies to the taxes under subch. V, apply applies to the tax under this
25 subchapter.

1 **SECTION 240.** 77.99 of the statutes is amended to read:

2 **77.99 Imposition.** A local exposition district under subch. II of ch. 229 may
3 impose a tax at the rate of 3% of the gross receipts sales price on the rental, but not
4 for rental and not for rental as a service or repair replacement vehicle, within the
5 district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01
6 (4) (a), by establishments primarily engaged in short-term rental of passenger cars
7 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales
8 tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under
9 s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's
10 authorized board of directors may vote to increase the tax rate under this subchapter
11 to 4%.

12 **SECTION 241.** 77.991 (2) of the statutes is amended to read:

13 77.991 (2) Sections 77.51 (4) ~~(a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (12m),~~
14 ~~(14) (a) to (f), (j) and (k), (14g), (15a), and (15b), 77.52 (3), (4), (6), (13), (14) and, (18),~~
15 ~~and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m),~~
16 ~~(5), (8), (9), and (12) to (14) (15), and 77.62, as they apply to the taxes under subch.~~
17 ~~III, apply to the tax under this subchapter. Sections 77.72 (1) and (2) (a) and Section~~
18 ~~77.73, as they apply it applies to the taxes under subch. V, apply applies to the tax~~
19 ~~under this subchapter. The renter shall collect the tax under this subchapter from~~
20 ~~the person to whom the passenger car is rented.~~

21 **SECTION 242.** 77.994 (1) (intro.) of the statutes is amended to read:

22 77.994 (1) (intro.) Except as provided in sub. (2), a municipality or a county all
23 of which is included in a premier resort area under s. 66.1113 may, by ordinance,
24 impose a tax at a rate of 0.5% of the gross receipts sales price from the sale, license,
25 lease, or rental in the municipality or county of goods or services that are taxable

1 under subch. III made by businesses that are classified in the standard industrial
2 classification manual, 1987 edition, published by the U.S. office of management and
3 budget, under the following industry numbers:

4 **SECTION 243.** 77.9941 (4) of the statutes is amended to read:

5 77.9941 (4) Sections 77.72 (1), ~~(2) (a) and (3) (a)~~, 77.73, 77.74, 77.75, 77.76 (1),
6 (2), and (4), 77.77 (1) and ~~(2)~~, 77.785 (1), and 77.79, as they apply to the taxes under
7 subch. V, apply to the tax under this subchapter.

8 **SECTION 244.** 77.995 (2) of the statutes is repealed and recreated to read:

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

17 **SECTION 245.** 77.9951 (2) of the statutes is amended to read:

18 77.9951 (2) Sections 77.51 (4) (a), ~~(b) 1., 2. and 4., (c) 1. to 3. and (d) and (12m)~~,
19 (14) (a) to (f), (j) and (k), (14g), (15a), and (15b), 77.52 (3), (4), (6), (13), (14) and, (18),
20 and (19), 77.522, 77.58 (1) to (5), (6m), and (7), ~~77.585~~, 77.59, 77.60, 77.61 (2), (3m),
21 (5), (8), (9), and (12) to ~~(14) (15)~~, and 77.62, as they apply to the taxes under subch.
22 III, apply to the fee under this subchapter. The renter shall collect the fee under this
23 subchapter from the person to whom the vehicle is rented.

24 **SECTION 246.** 77.996 (6) of the statutes is amended to read:

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

6 **SECTION 247.** 77.9972 (2) of the statutes is amended to read:

7 77.9972 (2) Sections 77.51 (4) (a), (b) 1., 2., and 4., (c) 1. to 3. and (d) and (12m),
8 (14) (a) to (f), (j), and (k), (14g), (15a), and (15b), 77.52 (3), (4), (6), (13), (14), and (18),
9 and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m),
10 (5), (8), (9), and (12) to (14) (15), and 77.62, as they apply to the taxes under subch.
11 III, apply to the fee under this subchapter. Sections 77.72 (1) and (2) (a) and Section
12 77.73, as they apply it applies to the taxes under subch. V, apply applies to the fee
13 under this subchapter. The renter shall collect the fee under this subchapter from
14 the person to whom the passenger car is rented.

15 **SECTION 248.** 86.195 (3) (b) 3. of the statutes is amended to read:

16 86.195 (3) (b) 3. Fifty percent of the gross receipts sales price, as defined in s.
17 77.51 (15b), of the business are from meal, food, the sale of food product and beverage
18 sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under s. 77.54
19 (20) (e) subch. III of ch. 77; and

20 **SECTION 249.** 218.0171 (2) (cq) of the statutes is amended to read:

21 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
22 the manufacturer shall provide to the consumer a written statement that specifies
23 the trade-in amount previously applied under s. 77.51 (4) (b) 3. or 3m. or (15) (b) 4.
24 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 9441. Effective dates; Revenue.

4 (1) IMPLEMENTING THE STREAMLINED SALES AND USE TAX AGREEMENT. The repeal
5 of sections 20.435 (3) (bm), 46.513, 77.51 (4), 77.51 (14) (d), 77.51 (14) (i), 77.51 (14)
6 (k), 77.51 (14) (L), 77.51 (14r), 77.51 (15), 77.52 (2) (a) 5. b., 77.52 (3m), 77.52 (3n),
7 77.52 (6), 77.52 (14) (a) 2., 77.523 (title), 77.53 (4), 77.54 (14g), 77.54 (14s), 77.54 (20),
8 77.54 (20m), 77.54 (22), 77.54 (40), 77.61 (3), 77.65 (2) (c), 77.72 (title), 77.72 (2) and
9 (3), and 77.77 (2) of the statutes, the renumbering of sections ~~77.51 (14) (g)~~ and
10 77.524 (1) (a), ~~and 77.53 (9m)~~ of the statutes, the renumbering and amendment of
11 sections ^{77.51 (1)} 77.52 (1), ^{77.53 (9m)} 77.52 (2) (a) 5. a., 77.523, 77.524 (1) (b), 77.53 (11), 77.61 (2), 77.72
12 (1), and 77.77 (1) of the statutes, the consolidation, renumbering and amendment of
13 section 77.52 (14) (a) (intro.) and 1. and (b) of the statutes, the amendment of sections
14 66.0615 (1m) (f) 2., 70.111 (23), 73.03 (50) (d), 76.07 (4g) (b) 8., 77.51 (5), ^{77.51 (9) (a)} 77.51 (10),
15 77.51 (13) (o), 77.51 (13g) (intro.), ^{77.51 (13r)} 77.51 (14) (intro.), 77.51 (14) (a), ^{77.51 (14) (j)} 77.51 (14) (j),
16 (17), ^{77.51 (18)} 77.51 (20), 77.51 (21), 77.51 (21m), ^{77.51 (22) (a)} 77.52 (2) (intro.), ^{77.51 (22) (b)} 77.52 (2) (a) 5m., ^{77.51 (14) (b)} 77.52 (2)
17 (a) 10., ^{77.52 (4)} 77.52 (7), ^{77.52 (12)} 77.52 (13), ^{77.52 (16)} 77.52 (15), ^{77.52 (19)} 77.525, 77.53 (1), ^{77.53 (2)} 77.53 (3), 77.53 (9), 77.53
18 (10), ^{77.53 (12)} 77.53 (16), ^{77.53 (14)} 77.53 (17), ^{77.53 (15)} 77.53 (17m), 77.53 (17r) (a), 77.53 (18), 77.54 (1), 77.54
19 (2), 77.54 (2m), 77.54 (3) (a), 77.54 (3m) (intro.), 77.54 (4), 77.54 (5) (intro.), 77.54 (6)
20 (intro.), 77.54 (7m), 77.54 (8), 77.54 (9), 77.54 (9a) (intro.), 77.54 (10), 77.54 (11), 77.54
21 (12), 77.54 (13), 77.54 (14) (intro.), 77.54 (14) (a), 77.54 (14) (b), 77.54 (14) (f) (intro.),
22 77.54 (15), 77.54 (16), 77.54 (17), 77.54 (18), 77.54 (21), 77.54 (23m), 77.54 (25), 77.54
23 (26), 77.54 (26m), 77.54 (27), 77.54 (28), 77.54 (29), 77.54 (30) (a) (intro.), 77.54 (30)
24 (c), 77.54 (31), 77.54 (32), 77.54 (33), 77.54 (35), 77.54 (36), 77.54 (37), 77.54 (38),
25 77.54 (39), 77.54 (41), 77.54 (42), 77.54 (43), 77.54 (44), 77.54 (45), 77.54 (46), 77.54

^{77.51 (12) (a)} 77.51 (12) (a), ^{77.51 (12) (b)} 77.51 (12) (b), ^{77.51 (13) (a)} 77.51 (13) (a), ^{77.51 (13) (b)} 77.51 (13) (b), ^{77.51 (13) (c)} 77.51 (13) (c), ^{77.51 (13) (d)} 77.51 (13) (d),
^{77.51 (13) (e)} 77.51 (13) (e), ^{77.51 (13) (f)} 77.51 (13) (f), ^{77.51 (13) (g)} 77.51 (13) (g), ^{77.51 (13) (h)} 77.51 (13) (h), ^{77.51 (13) (i)} 77.51 (13) (i), ^{77.51 (13) (j)} 77.51 (13) (j), ^{77.51 (13) (k)} 77.51 (13) (k), ^{77.51 (13) (l)} 77.51 (13) (l), ^{77.51 (13) (m)} 77.51 (13) (m), ^{77.51 (13) (n)} 77.51 (13) (n),

Handwritten notes on the right margin:
- A large bracket spanning lines 9-15.
- "and" written next to line 9.
- "77.51 (9) (a)" written vertically.
- "INSERT 9/6-15" written in a box.
- "77.51 (14) (c)" written vertically.

1 (46m), 77.54 (47) (intro.), 77.54 (47) (b) 1. and 2., 77.54 (48) (a), 77.54 (49), 77.55 (1)
 2 (intro.), 77.55 (2), 77.55 (2m), 77.55 (3), 77.56 (1), 77.57, ^{77.58(3)(a),} 77.58 (3) (b), ^{77.59(5m),} 77.58 (6), 77.59
 3 (9), 77.61 (1) (b), ^{77.61(4)(a),} 77.61 (1) (c), ^{77.61(11),} 77.61 (4) (c), 77.65 (2) (e), 77.65 (2) (f), 77.70, 77.705,
 4 77.706, 77.707 (1), 77.707 (2), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4), 77.73 (2), 77.75,
 5 77.785 (1), 77.785 (2), 77.98, 77.981, 77.982 (2), 77.99, 77.991 (2), 77.994 (1) (intro.),
 6 77.9941 (4), 77.9951 (2), 77.996 (6), 77.9972 (2), 86.195 (3) (b) 3., and 218.0171 (2) (cq)
 7 of the statutes, the repeal and recreation of sections 77.51 (7), 77.51 (17m), 77.63, and
 8 77.995 (2) of the statutes, and the creation of sections 20.566 (1) (ho), 73.03 (28e),
 9 73.03 (50b), 73.03 (61), ^{77.51(1a),} 77.51 (1b), 77.51 (1bd), 77.51 (1bm), 77.51 (1e), ~~77.51 (1f)~~
 10 77.51 (1p), 77.51 (1r), 77.51 (2k), 77.51 (2m), ^{77.51(3n),} 77.51 (3c), 77.51 (3p), 77.51 (3pd), 77.51
 11 (3pe), 77.51 (3pf), 77.51 (3pj), 77.51 (3pm), 77.51 (3pn), 77.51 (3pp), ^{77.51(3m),} 77.51 (3rm), ^{77.51(3q),}
 12 ^{77.51(3rn),} 77.51 (3t), ^{77.51(7g), 77.51(7k), 77.51(7m), 77.51(8m), 77.51(9p), 77.51(9s), 77.51} 77.51 (7g), 77.51 (7k), 77.51 (7m), 77.51 (8m), 77.51 (9p), 77.51 (9s), 77.51
 13 (10d), 77.51 (10f), 77.51 (10m), 77.51 (10n), 77.51 (10r), 77.51 (10s), ^{77.51(11m),} 77.51 (11m), ^{77.51(11d),}
 14 77.51 (12m), 77.51 (12p), 77.51 (13g) (c), 77.51 (13rm), 77.51 (15a), 77.51 (15b), 77.51
 15 (17w), ^{77.51(17x),} 77.51 (21n), 77.51 (21p), ^{77.51(21s),} 77.51 (22) (bm), 77.51 (24), 77.51 (25), 77.51 (26),
 16 ^{77.52(17d),} 77.52 (1) (b), 77.52 (1) (c), 77.52 (2) (a) 13m., 77.52 (7b), 77.52 (14) (am), 77.522, 77.524
 17 (1) (ag), 77.53 (9m) (b), 77.53 (9m) (c), 77.53 (11) (b), 77.54 (14b), 77.54 (20n), 77.54
 18 (20p), 77.54 (20r), 77.54 (22b), ^{77.54(50),} 77.54 (22c), 77.58 (6m), 77.58 (9a), 77.585, 77.59 (2m),
 19 77.59 (9n), 77.59 (9p) (b), 77.59 (9r), 77.60 (13), 77.61 (2) (b), 77.61 (3m), 77.61 (5m),
 20 77.61 (16), 77.65 (4) (fm), 77.67, 77.73 (3), and 77.77 (1) (b) of the statutes take effect
 21 on January 1, 2008.

(END)

1 86.195 (3) (b) 3. Fifty percent of the gross receipts sales price, as defined in s.
 2 77.51 (15b), of the business are from meal, food, the sale of food product and beverage
 3 sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under s. 77.54
 4 (20) (c) subch. III of ch. 77; and

5 **SECTION 309.** 218.0171 (2) (cq) of the statutes is amended to read:

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

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

13 (1) IMPLEMENTING THE STREAMLINED SALES AND USE TAX AGREEMENT. The repeal

14 of sections 20.435 (3) (bm), 46.513, 77.51 (4), 77.51 (14) (d), 77.51 (14) (i), 77.51 (14)
 15 (k), 77.51 (14) (L), 77.51 (14r), 77.51 (15), 77.52 (2) (a) 5. b., 77.52 (3m), 77.52 (3n),
 16 77.52 (6), 77.52 (14) (a) 2., 77.523 (title), 77.53 (4), 77.54 (14g), 77.54 (14s), 77.54 (20),


17 77.54 (20m), 77.54 (22), 77.54 (40), 77.61 (3), 77.65 (2) (c), 77.72 (title), 77.72 (2) [^]and [^]of the statutes;
 18 (3) and 77.77 (2) ^{of the statutes;} to renumber ^{the renumbering of sections} 77.51 (6m), 77.51 (14) (g) and 77.524 (1) (a) ^{of the statutes;} to

19 ^{The renumbering and amendment of sections} renumber and amend 77.51 (1), 77.52 (1), 77.52 (2) (a) 5. a., 77.523, 77.524 (1) (b),
 20 77.53 (9m), 77.53 (11), 77.61 (2), 77.72 (1) ^{of the statutes;} and 77.77 (1) to consolidate, renumber

21 ^{the consolidation, renumbering and amendment of section} and amend 77.52 (14) (a) (intro.) and 1. and (b) ^{of the statutes;} to amend ^{the amendment of sections} 66.0615 (1m) (f) 2., 70.111
 22 (23), 73.03 (50) (d), 76.07 (4g) (b) 8., 77.51 (5), 77.51 (9) (a), 77.51 (9) (am), 77.51 (10),
 23 77.51 (12) (a), 77.51 (12) (b), 77.51 (13) (a), 77.51 (13) (b), 77.51 (13) (c), 77.51 (13) (d),
 24 77.51 (13) (e), 77.51 (13) (f), 77.51 (13) (k), 77.51 (13) (m), 77.51 (13) (n), 77.51 (13)
 25 (o), 77.51 (13g) (intro.), 77.51 (13r), 77.51 (14) (intro.), 77.51 (14) (a), 77.51 (14) (b),

1 77.51 (14) (c), 77.51 (14) (h), 77.51 (14) (j), 77.51 (14g) (a), 77.51 (14g) (b), 77.51 (14g)
2 (bm), 77.51 (14g) (c), 77.51 (14g) (cm), 77.51 (14g) (d), 77.51 (14g) (e), 77.51 (14g) (em),
3 77.51 (14g) (f), 77.51 (14g) (g), 77.51 (14g) (h), 77.51 (17), 77.51 (18), 77.51 (20), 77.51
4 (21), 77.51 (21m), 77.51 (22) (a), 77.51 (22) (b), 77.52 (2) (intro.), 77.52 (2) (a) 5m.,
5 77.52 (2) (a) 10., 77.52 (4), 77.52 (7), 77.52 (12), 77.52 (13), 77.52 (15), 77.52 (16), 77.52
6 (19), 77.525, 77.53 (1), 77.53 (2), 77.53 (3), 77.53 (9), 77.53 (10), 77.53 (12), 77.53 (14),
7 77.53 (15), 77.53 (16), 77.53 (17), 77.53 (17m), 77.53 (17r) (a), 77.53 (18), 77.54 (1),
8 77.54 (2), 77.54 (2m), 77.54 (3) (a), 77.54 (3m) (intro.), 77.54 (4), 77.54 (5) (intro.),
9 77.54 (6) (intro.), 77.54 (7m), 77.54 (8), 77.54 (9), 77.54 (9a) (intro.), 77.54 (10), 77.54
10 (11), 77.54 (12), 77.54 (13), 77.54 (14) (intro.), 77.54 (14) (a), 77.54 (14) (b), 77.54 (14)
11 (f) (intro.), 77.54 (15), 77.54 (16), 77.54 (17), 77.54 (18), 77.54 (21), 77.54 (23m), 77.54
12 (25), 77.54 (26), 77.54 (26m), 77.54 (27), 77.54 (28), 77.54 (29), 77.54 (30) (a) (intro.),
13 77.54 (30) (c), 77.54 (31), 77.54 (32), 77.54 (33), 77.54 (35), 77.54 (36), 77.54 (37), 77.54
14 (38), 77.54 (39), 77.54 (41), 77.54 (42), 77.54 (43), 77.54 (44), 77.54 (45), 77.54 (46),
15 77.54 (46m), 77.54 (47) (intro.), 77.54 (47) (b) 1. and 2., 77.54 (48) (a), 77.54 (49), 77.55
16 (1) (intro.), 77.55 (2), 77.55 (2m), 77.55 (3), 77.56 (1), 77.57, 77.58 (3) (a), 77.58 (3) (b),
17 77.58 (6), 77.59 (5m), 77.59 (9), 77.61 (1) (b), 77.61 (1) (c), 77.61 (4) (a), 77.61 (4) (c),
18 77.61 (11), 77.65 (2) (e), 77.65 (2) (f), 77.66, 77.70, 77.705, 77.706, 77.707 (1), 77.707
19 (2), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4), 77.73 (2), 77.75, 77.785 (1), 77.785 (2),
20 77.98, 77.981, 77.982 (2), 77.99, 77.991 (2), 77.994 (1) (intro.), 77.9941 (4), 77.9951
21 (2), 77.996 (6), 77.9972 (2), 86.195 (3) (b) 3.[^] and 218.0171 (2) (c) ^{of the statutes} ~~to repeal and~~
22 ^{The repeal and recreation of sections} ~~recreate~~ 77.51 (7), 77.51 (17m), 77.63[^] and 77.995 (2) ^{of the statutes and the creation of} ~~and to create~~ 20.566 (1) (ho), ^{sections}
23 73.03 (28e), 73.03 (50b), 73.03 (61), 77.51 (1a), 77.51 (1b), 77.51 (1bd), 77.51 (1bm),
24 77.51 (1e), 77.51 (1n), 77.51 (1p), 77.51 (1r), 77.51 (2k), 77.51 (2m), 77.51 (3c), 77.51
25 (3n), 77.51 (3p), 77.51 (3pa), 77.51 (3pb), 77.51 (3pc), 77.51 (3q), 77.51 (3pe), 77.51

SECTION 9441

1 (3pf), 77.51 (3pj), 77.51 (3pm), 77.51 (3pn), 77.51 (3pp), 77.51 (3pq), 77.51 (3rm),
2 77.51 (3t), 77.51 (5d), 77.51 (5n), 77.51 (5r), 77.51 (7g), 77.51 (7k), 77.51 (7m), 77.51
3 (8m), 77.51 (9p), 77.51 (9s), 77.51 (10d), 77.51 (10f), 77.51 (10m), 77.51 (10n), 77.51
4 (10r), 77.51 (10s), 77.51 (11d), 77.51 (11m), 77.51 (12m), 77.51 (12p), 77.51 (13g) (c),
5 77.51 (13rm), 77.51 (13rn), 77.51 (15a), 77.51 (15b), 77.51 (17w), 77.51 (17x), 77.51
6 (21n), 77.51 (21p), 77.51 (21s), 77.51 (22) (bm), 77.51 (24), 77.51 (25), 77.51 (26), 77.52
7 (1) (b), 77.52 (1) (c), 77.52 (1) (d), 77.52 (2) (a) 13m., 77.52 (7b), 77.52 (14) (am), 77.522,
8 77.524 (1) (ag), 77.53 (9m) (b), 77.53 (9m) (c), 77.53 (11) (b), 77.54 (14b), 77.54 (20n),
9 77.54 (20p), 77.54 (20r), 77.54 (22b), 77.54 (22c), 77.54 (50), 77.58 (6m), 77.58 (9a),
10 77.585, 77.59 (2m), 77.59 (9n), 77.59 (9p) (b), 77.59 (9r), 77.60 (13), 77.61 (2) (b), 77.61
11 (3m), 77.61 (5m), 77.61 (16), 77.65 (4) (fm), 77.67, 77.73 (3)[^] and 77.77 (1) (b) of the
12 statutes  take effect on January 1, 2008

13 (END)

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0728/3ins
JK:lmk:jf

Insert A

1 , specified digital goods, additional digital goods,

Use x
~~||||~~ ~~||||~~ ||

Insert B

2 , specified digital goods, or additional digital goods

Use x
~~||||~~ ~~||||~~ ~~||||~~ ~~||||~~ ||||

Insert C

3 , specified digital goods, additional digital goods,

Use x
~~||||~~ ~~||||~~ ||||

Insert D

4 , specified digital goods, or additional digital goods

Use x
~~||||~~ |

Insert 5 - 13

5 SECTION ~~1~~^x 77.51 (1) of the statutes is renumbered 77.51 (1d) and amended to
6 read:

7 77.51 (1d) "Business" includes any activity engaged in by any person or caused
8 to be engaged in by any person with the object of gain, benefit or advantage, either
9 direct or indirect, and includes also the furnishing and distributing of tangible
10 personal property, specified digital goods, additional digital goods, or taxable
11 services for a consideration by social clubs and fraternal organizations to their
12 members or others.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 19, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

13 SECTION ~~2~~ 77.51 (1a) of the statutes is created to read:

14 77.51 (1a) "Additional digital goods" means video greeting cards sent by
15 electronic mail, finished artwork, periodicals, and video or electronic games. For
16 purposes of this subchapter, the sale of or the storage, use, or other consumption of

f
STI

1 a digital code is treated the same as the sale of the storage, use, or other
2 consumption of any additional digital goods for which the digital code relates. ✓

Insert 6 - 5

3 2. The retail sale of specified digital goods or additional digital goods, if such
4 goods are essential to the use of the service, and provided exclusively in connection
5 with the service, and if the true object of the transaction is the service. ✓

Insert 7 - 12

NOT

6 "Computer software" does not include digital books. ✓

Insert 8 - 22B

7 **SECTION 3.** 77.51 (3pc) of the statutes is created to read:

8 77.51 (3pc) "Digital code" means a code that provides the person who holds the
9 code a right to obtain a digital audiovisual work, digital audio work, or digital book
10 and that may be obtained by any means, including tangible forms and electronic
11 mail, regardless of whether the code is designated as song code, video code, or book
12 code. "Digital code" includes codes used to access or obtain any specified digital goods
13 or additional digital goods that have been previously purchased and promotion cards
14 or codes that are purchased by a retailer or other business entity for use by the
15 retailer's or entity's customers. "Digital code" does not include the following: ✓

16 1. A code that represents any redeemable card, gift card, or gift certificate that
17 entitles the holder of such card or certificate to select any specified digital goods or
18 additional digital goods at the cash value indicated by the card or certificate. ✓

19 2. Digital cash that represents a monetary value that a customer may use to
20 pay for a future purchase. ✓

Insert 11 - 17

117

1 SECTION 4. 77.51 (6d)⁵ of the statutes is created to read:

2 77.51 (6d)^{5a} "International telecommunications services" means
3 telecommunications services that originate or terminate in one state or U.S. territory
4 or possession and originate or terminate outside of the state or U.S. territory or
5 possession. ✓

6 SECTION 5. 77.51 (6n)⁵ of the statutes is created to read:

7 77.51 (6n)^{5a} "Interstate telecommunications services" means
8 telecommunications services that originate in one state or U.S. territory or
9 possession and terminate in a different state or U.S. territory or possession. ✓

10 SECTION 6. 77.51 (6r)⁵ of the statutes is created to read:

11 77.51 (6r)^{5a} "Intrastate telecommunications services" means
12 telecommunications services that originate in one state or U.S. territory or
13 possession and terminate in the same state or U.S. territory or possession. ✓

SECTION #. 77.51 (6m) is renumbered 77.51 (5m) of the statutes
Insert 13 - 25

14 SECTION 7. 77.51 (9) (a) of the statutes is amended to read:

15 77.51 (9) (a) Isolated and sporadic sales of tangible personal property, specified
16 digital goods, additional digital goods, or taxable services where the infrequency, in
17 relation to the other circumstances, including the sales price and the gross profit,
18 support the inference that the seller is not pursuing a vocation, occupation or
19 business or a partial vocation or occupation or part-time business as a vendor of
20 personal property, specified digital goods, additional digital goods, or taxable
21 services. No sale of any tangible personal property, specified digital goods, additional
22 digital goods, or taxable service may be deemed an occasional sale if at the time of
23 such sale the seller holds or is required to hold a seller's permit, except that this

1 provision does not apply to an organization required to hold a seller's permit solely
2 for the purpose of conducting bingo games and except as provided in par. (am).

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

3 **SECTION 8.** 77.51 (9) (am) of the statutes is amended to read:

4 77.51 (9) (am) The sale of personal property, other than inventory held for sale,
5 previously used by a seller to conduct its trade or business at a location after that
6 person has ceased actively operating in the regular course of business as a seller of
7 tangible personal property, specified digital goods, additional digital goods, or
8 taxable services at that location, even though the seller holds a seller's permit for one
9 or more other locations.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 20 - 4

10 **SECTION ~~9~~** 77.51 (12) (a) of the statutes is amended to read:

11 77.51 (12) (a) Any transfer of title, possession, ownership, enjoyment, or use
12 by: cash or credit transaction, exchange, barter, lease or rental, conditional or
13 otherwise, in any manner or by any means whatever of tangible personal property,
14 specified digital goods, or additional digital goods for a consideration;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

15 **SECTION ~~10~~** 77.51 (12) (b) of the statutes is amended to read:

16 77.51 (12) (b) A transaction whereby the possession of property, specified
17 digital goods, or additional digital goods is transferred but the seller retains the title
18 as security for the payment of the price.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 23 - 11

19 **SECTION 11.** 77.51 (13) (a) of the statutes is amended to read:

1 77.51 (13) (a) Every seller who makes any sale, regardless of whether the sale
2 is mercantile in nature, of tangible personal property, specified digital goods, or
3 additional digital goods, or a service specified under s. 77.52 (2) (a).

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

4 **SECTION 12.** 77.51 (13) (b) of the statutes is amended to read:

5 77.51 (13) (b) Every person engaged in the business of making sales of tangible
6 personal property, specified digital goods, or additional digital goods for storage, use
7 or consumption or in the business of making sales at auction of tangible personal
8 property, specified digital goods, or additional digital goods owned by the person or
9 others for storage, use or other consumption.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

10 **SECTION 13.** 77.51 (13) (c) of the statutes is amended to read:

11 77.51 (13) (c) When the department determines that it is necessary for the
12 efficient administration of this subchapter to regard any salespersons,
13 representatives, peddlers or canvassers as the agents of the dealers, distributors,
14 supervisors or employers under whom they operate or from whom they obtain the
15 tangible personal property, specified digital goods, or additional digital goods sold by
16 them, irrespective of whether they are making the sales on their own behalf or on
17 behalf of such dealers, distributors, supervisors or employers, the department may
18 so regard them and may regard the dealers, distributors, supervisors or employers
19 as retailers for purposes of this subchapter.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

20 **SECTION 14.** 77.51 (13) (d) of the statutes is amended to read:

21 77.51 (13) (d) Every wholesaler to the extent that the wholesaler sells tangible
22 personal property, specified digital goods, or additional digital goods to a person

1 other than a seller as defined in sub. (17) provided such wholesaler is not expressly
2 exempt from the sales tax on such sale or from collecting the use tax on such sale.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

3 **SECTION 15.** 77.51 (13) (e) of the statutes is amended to read:

4 77.51 (13) (e) A person selling tangible personal property, specified digital
5 goods, or additional digital goods to a service provider who transfers the property in
6 conjunction with the selling, performing or furnishing of any service and the
7 property is or goods are incidental to the service, unless the service provider is
8 selling, performing or furnishing services under s. 77.52 (2) (a) 7., 10., 11. and 20.

9 This subsection does not apply to sub. (2).

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

10 **SECTION 16.** 77.51 (13) (f) of the statutes is amended to read:

11 77.51 (13) (f) A service provider who transfers tangible personal property,
12 specified digital goods, or additional digital goods in conjunction with but not
13 incidental to the selling, performing or furnishing of any service and a service
14 provider selling, performing or furnishing services under s. 77.52 (2) (a) 7., 10., 11.
15 and 20. This subsection does not apply to sub. (2).

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

16 **SECTION 17.** 77.51 (13) (k) of the statutes is amended to read:

17 77.51 (13) (k) As respects a lease, any person deriving rentals from a lease of
18 tangible personal property, specified digital goods, or additional digital goods
19 situated in this state. ✓

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

20 **SECTION 18.** 77.51 (13) (m) of the statutes is amended to read:

1 77.51 (13) (m) A person selling tangible personal property, specified digital
2 goods, or additional digital goods ✓ to a veterinarian to be used or furnished by the
3 veterinarian in the performance of services in some manner related to domestic
4 animals, including pets or poultry.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

5 **SECTION 19.** 77.51 (13) (n) of the statutes is amended to read:

6 77.51 (13) (n) A person selling household furniture, furnishings, equipment,
7 appliances or other items of tangible personal property, specified digital goods, or
8 additional digital goods ✓ to a landlord for use by tenants in leased or rented living
9 quarters.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 23 - 22

10 **SECTION 20.** 77.51 (13r) of the statutes is amended to read:

11 77.51 (13r) Any person purchasing from a retailer as defined in sub. (13) shall
12 be deemed the consumer ✓ of the tangible personal property, specified digital goods,
13 additional digital goods, or services purchased.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 24 - 12

14 **SECTION 21.** 77.51 (14) (b) of the statutes is amended to read:

15 77.51 (14) (b) The furnishing or distributing of tangible personal property,
16 specified digital goods, additional digital goods, ✓ or taxable services for a
17 consideration by social clubs and fraternal organizations to their members or others. ✓

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

18 **SECTION 22.** 77.51 (14) (c) of the statutes is amended to read:

1 77.51 (14) (c) A transaction whereby the possession of tangible personal
2 property, ^{is} specified digital goods, or additional digital goods ^{are} ~~is~~ transferred but the
3 seller retains the title as security for the payment of the price.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 24 - 14

4 **SECTION 23.** 77.51 (14) (h) of the statutes is amended to read:

5 77.51 (14) (h) A transfer for a consideration of the title or possession of tangible
6 personal property, specified digital goods, or additional digital goods which ^{has} ~~has~~ ^{have}
7 been produced, fabricated, or printed to the special order of the customer or of any
8 publication.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 24 - 24

9 **SECTION 24.** 77.51 (14g) (a) of the statutes is amended to read:

10 77.51 (14g) (a) The transfer of property, specified digital goods, or additional
11 digital goods to a corporation upon its organization solely in consideration for the
12 issuance of its stock;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

13 **SECTION 25.** 77.51 (14g) (b) of the statutes is amended to read:

14 77.51 (14g) (b) The contribution of property, specified digital goods, or
15 additional digital goods to a newly formed partnership solely in consideration for a
16 partnership interest therein;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

17 **SECTION 26.** 77.51 (14g) (bm) of the statutes is amended to read:

1 77.51 (14g) (bm) The contribution of property, specified digital goods, or
2 additional digital goods to a limited liability company upon its organization solely in
3 consideration for a membership interest; ✓

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

4 **SECTION 27.** 77.51 (14g) (c) of the statutes is amended to read:

5 77.51 (14g) (c) The transfer of property, specified digital goods, or additional
6 digital goods ✓ to a corporation, solely in consideration for the issuance of its stock,
7 pursuant to a merger or consolidation;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

8 **SECTION 28.** 77.51 (14g) (cm) of the statutes is amended to read:

9 77.51 (14g) (cm) The transfer of property, specified digital goods, or additional
10 digital goods ✓ to a limited liability company, solely in consideration for a membership
11 interest, pursuant to a merger;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

12 **SECTION 29.** 77.51 (14g) (d) of the statutes is amended to read:

13 77.51 (14g) (d) The distribution of property, specified digital goods, or
14 additional digital goods ✓ by a corporation to its stockholders as a dividend or in whole
15 or partial liquidation;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

16 **SECTION 30.** 77.51 (14g) (e) of the statutes is amended to read:

17 77.51 (14g) (e) The distribution of property, specified digital goods, or
18 additional digital goods ✓ by a partnership to its partners in whole or partial
19 liquidation;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

20 **SECTION 31.** 77.51 (14g) (em) of the statutes is amended to read:

1 77.51 (14g) (em) The distribution of property, specified digital goods, or
2 additional digital goods by a limited liability company to its members in whole or
3 partial liquidation;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

4 **SECTION 32.** 77.51 (14g) (f) of the statutes is amended to read: ✓

5 77.51 (14g) (f) Repossession of property, specified digital goods, or additional
6 digital goods by the seller from the purchaser when the only consideration is
7 cancellation of the purchaser's obligation to pay the remaining balance of the
8 purchase price;

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

9 **SECTION 33.** 77.51 (14g) (g) of the statutes is amended to read:

10 77.51 (14g) (g) The transfer of property, specified digital goods, or additional
11 digital goods in a reorganization as defined in section 368 of the internal revenue
12 code in which no gain or loss is recognized for franchise or income tax purposes; or

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

13 **SECTION 34.** 77.51 (14g) (h) of the statutes is amended to read: ✓

14 77.51 (14g) (h) Any transfer of all or substantially all the property, specified
15 digital goods, or additional digital goods held or used by a person in the course of an
16 activity requiring the holding of a seller's permit, if after the transfer the real or
17 ultimate ownership of the property or goods is substantially similar to that which
18 existed before the transfer. For the purposes of this section, stockholders,
19 bondholders, partners, members or other persons holding an interest in a
20 corporation or other entity are regarded as having the real or ultimate ownership of

1 the property or goods of the corporation or other entity. In this paragraph,
2 “substantially similar” means 80% or more of ownership.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 30 - 4

3 **SECTION 35.** 77.51 (17x) of the statutes is created to read:

4 77.51 (17x) “Specified digital goods” means digital audio works, digital
5 audiovisual works, and digital books. For purposes of this subchapter, the sale of or
6 the storage, use, or other consumption of a digital code is treated the same as the sale
7 ~~of~~ or the storage, use, or other consumption of any specified digital goods for which
8 the digital code relates. ✓

9 **SECTION 36.** 77.51 (18) of the statutes is amended to read:

10 77.51 (18) “Storage” includes any keeping or retention in this state of tangible
11 personal property, specified digital goods, or additional digital goods purchased from ✓
12 a retailer for any purpose except sale in the regular course of business.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 32 - 11B

13 **SECTION 37.** 77.51 (22) (a) of the statutes is amended to read:

14 77.51 (22) (a) “Use” includes the exercise of any right or power over tangible
15 personal property, specified digital goods, additional digital goods, or taxable ✓
16 services incident to the ownership, possession or enjoyment of the property, goods, ✓
17 or services, or the results produced by the services, including installation or
18 affixation to real property and including the possession of, or the exercise of any right
19 or power over tangible personal property, specified digital goods, or additional digital ✓

1 goods by a lessee under a lease, except that “use” does not include the activities under
2 sub. (18).

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

3 **SECTION 38.** 77.51 (22) (b) of the statutes is amended to read:

4 77.51 (22) (b) In this subsection “enjoyment” includes a purchaser’s right to
5 direct the disposition of property, specified digital goods, or additional digital goods,
6 whether or not the purchaser has possession of the property or goods. “Enjoyment”
7 also includes, but is not limited to, having shipped into this state by an out-of-state
8 supplier printed material which is designed to promote the sale of property, specified
9 digital goods, additional digital goods, or services, or which is otherwise related to
10 the business activities, of the purchaser of the printed material or printing service.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479.

Insert 34 - 2

11 **SECTION 39.** 77.52 (1) (d) of the statutes is created to read:

12 77.52 (1) (d) For the privilege of selling, licensing, leasing, or renting specified
13 digital goods or additional digital goods at retail, regardless of whether the
14 purchaser has the right to permanently use such goods or whether the purchaser’s
15 right to access or retain such goods is not permanent, at retail a tax is imposed upon
16 all retailers at the rate of 5 percent of the sales price from the sale, license, lease[^] or
17 rental of such goods.

Insert 36 - 18

18 **SECTION 40.** 77.52 (4) of the statutes is amended to read:

19 77.52 (4) It is unlawful for any retailer to advertise or hold out or state to the
20 public or to any customer, directly or indirectly, that the tax or any part thereof will

1 be assumed or absorbed by the retailer or that it will not be added to the selling price
2 of the property, specified digital goods, or additional digital goods sold or that if added
3 it, or any part thereof, will be refunded. Any person who violates this subsection is
4 guilty of a misdemeanor.

History: 1973 c. 156; 1975 c. 39; 1977 c. 29, 142, 418; 1979 c. 174, 221; 1981 c. 20, 317; 1983 a. 2, 27; 1983 a. 189 ss. 99, 103, 107, 329 (12); 1983 a. 341, 510, 544; 1985 a. 29, 149; 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 316; 1993 a. 112, 213, 308, 437; 1995 a. 27, 225, 351; 1997 a. 27, 237, 291; 1999 a. 9, 83; 1999 a. 150 s. 672; 2001 a. 16, 104, 109; 2003 a. 33, 321; 2005 a. 149, 327, 344; s. 13.93 (1) (b) and (2) (c).

Insert 37 - 13

5 **SECTION 41.** 77.52 (12) of the statutes is amended to read:

6 77.52 (12) A person who operates as a seller in this state without a permit or
7 after a permit has been suspended or revoked or has expired, unless the person has
8 a temporary permit under sub. (11), and each officer of any corporation, partnership
9 member, limited liability company member, or other person authorized to act on
10 behalf of a seller who so operates, is guilty of a misdemeanor. Permits shall be held
11 only by persons actively operating as sellers of tangible personal property, specified
12 digital goods, additional digital goods, or taxable services. Any person not so
13 operating shall forthwith surrender that person's permit to the department for
14 cancellation. The department may revoke the permit of a person found not to be
15 actively operating as a seller of tangible personal property, specified digital goods,
16 additional digital goods, or taxable services.

History: 1973 c. 156; 1975 c. 39; 1977 c. 29, 142, 418; 1979 c. 174, 221; 1981 c. 20, 317; 1983 a. 2, 27; 1983 a. 189 ss. 99, 103, 107, 329 (12); 1983 a. 341, 510, 544; 1985 a. 29, 149; 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 316; 1993 a. 112, 213, 308, 437; 1995 a. 27, 225, 351; 1997 a. 27, 237, 291; 1999 a. 9, 83; 1999 a. 150 s. 672; 2001 a. 16, 104, 109; 2003 a. 33, 321; 2005 a. 149, 327, 344; s. 13.93 (1) (b) and (2) (c).

Insert 39 - 25

17 **SECTION 42.** 77.52 (16) of the statutes is amended to read:

18 77.52 (16) Any person who gives a resale certificate for property, specified
19 digital goods, additional digital goods, or services which that person knows at the
20 time of purchase is not to be resold by that person in the regular course of that

1 person's operations as a seller for the purpose of evading payment to the seller of the
 2 amount of the tax applicable to the transaction is guilty of a misdemeanor. Any
 3 person certifying to the seller that the sale of property, specified digital goods,
 4 additional digital goods, or taxable service is exempt, knowing at the time of
 5 purchase that it is not exempt, for the purpose of evading payment to the seller of the
 6 amount of the tax applicable to the transaction, is guilty of a misdemeanor.

History: 1973 c. 156; 1975 c. 39; 1977 c. 29, 142, 418; 1979 c. 174, 221; 1981 c. 20, 317; 1983 a. 2, 27; 1983 a. 189 ss. 99, 103, 107, 329 (12); 1983 a. 341, 510, 544; 1985 a. 29, 149; 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 316; 1993 a. 112, 213, 308, 437; 1995 a. 27, 225, 351; 1997 a. 27, 237, 291; 1999 a. 9, 83; 1999 a. 150 s. 672; 2001 a. 16, 104, 109; 2003 a. 33, 321; 2005 a. 149, 327, 344; s. 13.93 (1) (b) and (2) (c).

7 **SECTION 43. 77.52 (19)** of the statutes is amended to read:

8 77.52 (19) The department shall by rule provide for the efficient collection of
 9 the taxes imposed by this subchapter on sales of property, specified digital goods,
 10 additional digital goods, or services by persons not regularly engaged in selling at
 11 retail in this state or not having a permanent place of business, but who are
 12 temporarily engaged in selling from trucks, portable roadside stands, concessions at
 13 fairs and carnivals, and the like. The department may authorize such persons to sell
 14 property, specified digital goods, or additional digital goods or sell, perform, or
 15 furnish services on a permit or nonpermit basis as the department by rule prescribes
 16 and failure of any person to comply with such rules constitutes a misdemeanor.

History: 1973 c. 156; 1975 c. 39; 1977 c. 29, 142, 418; 1979 c. 174, 221; 1981 c. 20, 317; 1983 a. 2, 27; 1983 a. 189 ss. 99, 103, 107, 329 (12); 1983 a. 341, 510, 544; 1985 a. 29, 149; 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 316; 1993 a. 112, 213, 308, 437; 1995 a. 27, 225, 351; 1997 a. 27, 237, 291; 1999 a. 9, 83; 1999 a. 150 s. 672; 2001 a. 16, 104, 109; 2003 a. 33, 321; 2005 a. 149, 327, 344; s. 13.93 (1) (b) and (2) (c).

Insert 46 - 15

17 (h) The sale of a telecommunications Internet access service occurs at the
 18 customer's place of primary use. ✓

19 (i) The sale of ancillary services occurs at the customer's place of primary use. ✓

20 (j) If the location of the customer's service address, channel termination point,
 21 or place of primary use is not known, the location where the seller receives or passes

1 on the signal shall be considered, for purposes of this section, the customer's service
2 address, channel termination point, or place of primary use. ✓

Insert 49 - 5

3 *NOT* on the storage, use, or other consumption of specified digital goods or additional
4 digital goods purchased from any retailer, regardless of whether the purchaser has
5 the right to permanently use such goods or whether the purchaser's right to access
6 or retain such goods is not permanent, at the rate of 5% of the sales price of such
7 goods; *SECRET*

Insert 49 - 9

8 **SECTION 44.** 77.53 (2) of the statutes is amended to read:

9 77.53 (2) Every person storing, using, or otherwise consuming in this state
10 tangible personal property, specified digital goods, additional digital goods, or
11 taxable services purchased from a retailer is liable for the tax imposed by this section.
12 The person's liability is not extinguished until the tax has been paid to this state, but
13 a receipt with the tax separately stated from a retailer engaged in business in this
14 state or from a retailer who is authorized by the department, under such rules as it
15 prescribes, to collect the tax and who is regarded as a retailer engaged in business
16 in this state for purposes of the tax imposed by this section given to the purchaser
17 under sub. (3) relieves the purchaser from further liability for the tax to which the
18 receipt refers.

History: 1971 c. 125, 211; 1977 c. 29, 418; 1979 c. 1, 174; 1981 c. 317; 1983 a. 2; 1985 a. 29; 1987 a. 27, 268, 399; 1991 a. 39, 316; 1993 a. 16, 112; 1995 a. 27, 209; 1997 a. 27, 41, 237; 1999 a. 31; 2001 a. 109; 2003 a. 321; 2005 a. 441.

Insert 50 - 6

19 **SECTION 45.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and
20 amended to read:

1 77.53 (9m) (a) Any person who is not otherwise required to collect any tax
 2 imposed by this subchapter and who makes sales to persons within this state of
 3 tangible personal property, specified digital goods, additional digital goods, or
 4 taxable services the use of which is subject to tax under this subchapter may register
 5 with the department under the terms and conditions that the department imposes
 6 and shall obtain a valid certificate under s. 73.03 (50) and thereby be authorized and
 7 required to collect, report, and remit to the department the use tax imposed by this
 8 subchapter.

History: 1971 c. 125, 211; 1977 c. 29, 418; 1979 c. 1, 174; 1981 c. 317; 1983 a. 2; 1985 a. 29; 1987 a. 27, 268, 399; 1991 a. 39, 316; 1993 a. 16, 112; 1995 a. 27, 209; 1997 a. 27, 41, 237; 1999 a. 31; 2001 a. 109; 2003 a. 321; 2005 a. 441.

Insert 52 - 14

9 **SECTION 46.** 77.53 (12) of the statutes is amended to read:

10 77.53 (12) If a purchaser who gives a certificate makes any storage or use of
 11 the property, specified digital goods, additional digital goods, or service other than
 12 retention, demonstration, or display while holding it for sale in the regular course
 13 of operations as a seller, the storage or use is taxable as of the time the property,
 14 specified digital goods, additional digital goods, or service is first so stored or used.

History: 1971 c. 125, 211; 1977 c. 29, 418; 1979 c. 1, 174; 1981 c. 317; 1983 a. 2; 1985 a. 29; 1987 a. 27, 268, 399; 1991 a. 39, 316; 1993 a. 16, 112; 1995 a. 27, 209; 1997 a. 27, 41, 237; 1999 a. 31; 2001 a. 109; 2003 a. 321; 2005 a. 441.

15 **SECTION 47.** 77.53 (14) of the statutes is amended to read:

16 77.53 (14) It is presumed that tangible personal property, specified digital
 17 goods, additional digital goods, or taxable services shipped or brought to this state
 18 by the purchaser were purchased from or serviced by a retailer.

History: 1971 c. 125, 211; 1977 c. 29, 418; 1979 c. 1, 174; 1981 c. 317; 1983 a. 2; 1985 a. 29; 1987 a. 27, 268, 399; 1991 a. 39, 316; 1993 a. 16, 112; 1995 a. 27, 209; 1997 a. 27, 41, 237; 1999 a. 31; 2001 a. 109; 2003 a. 321; 2005 a. 441.

19 **SECTION 48.** 77.53 (15) of the statutes is amended to read:

20 77.53 (15) It is presumed that tangible personal property, specified digital
 21 goods, additional digital goods, or taxable services delivered outside this state to a
 22 purchaser known by the retailer to be a resident of this state were purchased from

1 a retailer for storage, use, or other consumption in this state and stored, used, or
 2 otherwise consumed in this state. This presumption may be controverted by a
 3 written statement, signed by the purchaser or an authorized representative, and
 4 retained by the seller that the property, digital good, or service was purchased for use
 5 at a designated point outside this state. This presumption may also be controverted
 6 by other evidence satisfactory to the department that the property, digital good, or
 7 service was not purchased for storage, use, or other consumption in this state.

History: 1971 c. 125, 211; 1977 c. 29, 418; 1979 c. 1, 174; 1981 c. 317; 1983 a. 2; 1985 a. 29; 1987 a. 27, 268, 399; 1991 a. 39, 316; 1993 a. 16, 112; 1995 a. 27, 209; 1997 a. 27, 41, 237; 1999 a. 31; 2001 a. 109; 2003 a. 321; 2005 a. 441.

Insert 69 - 22

8 **SECTION 49.** 77.54 (50) of the statutes is created to read:

9 77.54 (50) The sales price from the sale of and the storage, use, or other
 10 consumption of specified digital goods or additional digital goods that are transferred
 11 electronically to the purchaser, if the sale of and the storage, use, or other
 12 consumption of such goods sold in a tangible form is exempt from taxation under this
 13 subchapter.

Insert 71 - 17

14 **SECTION 50.** 77.58 (3) (a) of the statutes is amended to read:

15 77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller.
 16 For purposes of the use tax a return shall be filed by every retailer engaged in
 17 business in this state and by every person purchasing tangible personal property,
 18 specified digital goods, additional digital goods, or services, the storage, use, or other
 19 consumption of which is subject to the use tax, who has not paid the use tax due to
 20 a retailer required to collect the tax. If a qualified subchapter S subsidiary is not
 21 regarded as a separate entity under ch. 71, the owner of that subsidiary shall include
 22 the information for that subsidiary on the owner's return. Returns shall be signed

1 by the person required to file the return or by a duly authorized agent but need not
2 be verified by oath. If a single-owner entity is disregarded as a separate entity under
3 ch. 71, the owner shall include the information from the entity on the owner's return.

History: 1971 c. 316; 1975 c. 39, 199; 1977 c. 29, 142; 1979 c. 1, 174, 221, 355; 1981 c. 20; 1983 a. 405; 1991 a. 316; 1995 a. 27; 1997 a. 27.

Insert 76 - 7

4 **SECTION 51.** 77.59 (5m) of the statutes is amended to read:

5 77.59 (5m) A seller who receives a refund under sub. (4) (a) or (b) of taxes that
6 the seller has collected from buyers, who collects amounts as taxes erroneously from
7 buyers, but who does not remit such amounts to the state, or who is entitled to a
8 refund under sub. (4) (a) or (b) that is offset under sub. (5), shall submit the taxes and
9 related interest to the buyers from whom the taxes were collected, or to the
10 department if the seller cannot locate the buyers, within 90 days after the date of the
11 refund, after the date of the offset, or after discovering that the seller has collected
12 taxes erroneously from the buyers. If the seller does not submit the taxes and related
13 interest to the department or the buyers within that period, the seller shall submit
14 to the department any part of a refund or taxes that the seller does not submit to a
15 buyer or to the department along with a penalty of 25% of the amount not submitted
16 or, in the case of fraud, a penalty equal to the amount not submitted. A person who
17 collects amounts as taxes erroneously from buyers for a real property construction
18 activity or nontaxable service may reduce the taxes and interest that he or she is
19 required to submit to the buyer or to the department under this subsection for that
20 activity or service by the amount of tax and interest subsequently due and paid on
21 the sale of or the storage, use, or other consumption of tangible personal property,

1 specified digital goods, or additional digital goods that is are used by the person in
2 that activity or service and transferred to the buyer.

History: 1975 c. 186; 1979 c. 174, 203, 221; 1981 c. 20; 1983 a. 27; 1985 a. 29; 1985 a. 261 ss. 13g, 13m, 13t; 1987 a. 312 s. 17; 1991 a. 39, 269; 1993 a. 308, 437; 1995 a. 404; 2003 a. 33; 2005 a. 49.

Insert 77 - 6

3 (b) A purchaser is not liable for the tax, interest, or penalties imposed on a
4 transaction under this subchapter in the circumstances covered by section 331 of the
5 agreement, as defined in s. 77.65 (2) (a).

Insert 81 - 5

6 **SECTION 52.** 77.61 (4) (a) of the statutes is amended to read:

7 77.61 (4) (a) Every seller and retailer and every person storing, using or
8 otherwise consuming in this state tangible personal property, specified digital goods,
9 additional digital goods, or taxable services purchased from a retailer shall keep such
10 records, receipts, invoices, and other pertinent papers and records, including
11 machine-readable records, in such form as the department requires. The
12 department may, after giving notice, require any person to keep whatever records are
13 needed for the department to compute the sales or use taxes the person should pay.
14 Thereafter, the department shall add to any taxes assessed on the basis of
15 information not contained in the records required a penalty of 25% of the amount of
16 the tax so assessed in addition to all other penalties under this chapter.

History: 1971 c. 125; 1975 c. 186, 224; 1977 c. 29, 200, 418; 1979 c. 89, 125, 174; 1981 c. 20; 1983 a. 189 s. 329 (12); 1983 a. 405; 1983 a. 544 s. 47 (1); 1985 a. 29, 41; 1987 a. 27, 92, 119, 246; 1989 a. 31, 122, 359; 1991 a. 39, 269, 316; 1993 a. 205, 399; 1995 a. 27, 233, 280; 1997 a. 27, 191, 237; 1999 a. 83; 2001 a. 44, 103; 2005 a. 25, 49.

Insert 82 - 12

17 (e) For purposes of this subchapter, the state shall provide to consumers public
18 notice of the state's practices related to collecting, using, and retaining personally
19 identifiable information. ✓

Insert 82 - 16

82-1b

1 (g) For purposes of this subchapter, the state shall provide an individual
2 reasonable access to that individual's personally identifiable information and the
3 right to correct any inaccurately recorded information. ✓

4 (h) If any person, other than another state that is a signatory to the agreement,
5 as defined in s. 77.65 (2) (a), or a person authorized under state law to access the
6 information, requests access to an individual's personally identifiable information,
7 the state shall make a reasonable and timely effort to notify the individual of the
8 request. ✓

9 **SECTION 53.** 77.61 (11) of the statutes is amended to read:

10 77.61 (11) Any city, village or town clerk or other official whose duty it is to issue
11 licenses or permits to engage in a business involving the sale at retail of tangible
12 personal property, specified digital goods, or additional digital goods subject to tax
13 under this subchapter, or the furnishing of services so subject to tax, shall, before
14 issuing such license or permit, require proof that the person to whom such license
15 or permit is to be issued is the holder of a seller's permit as required by this
16 subchapter or has been informed by an employee of the department that the
17 department will issue a seller's permit to that person.

History: 1971 c. 125; 1975 c. 186, 224; 1977 c. 29, 200, 418; 1979 c. 89, 125, 174; 1981 c. 20; 1983 a. 189 s. 329 (12); 1983 a. 405; 1983 a. 544 s. 47 (1); 1985 a. 29, 41; 1987 a. 27, 92, 119, 246; 1989 a. 31, 122, 359; 1991 a. 39, 269, 316; 1993 a. 205, 399; 1995 a. 27, 233, 280; 1997 a. 27, 191, 237; 1999 a. 83; 2001 a. 44, 103; 2005 a. 25, 49.

Insert 84 - 2

18 **SECTION 54.** 77.66 of the statutes is amended to read:

19 **77.66 Certification for collection of sales and use tax.** The secretary of
20 revenue shall determine and periodically certify to the secretary of administration
21 the names of persons, and affiliates, as defined in s. 16.70 (1b), of persons, who make
22 sales of tangible personal property, specified digital goods, additional digital goods,
23 and taxable services that are subject to the taxes imposed under this subchapter but ✓

- 1 who are not registered to collect and remit such taxes to the department or, if
- 2 registered, do not collect and remit such taxes.

History: 2003 a. 33.

DOA:.....Easton, BB0315 – Sales and use tax on electronic versions of certain tangible personal property

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: budget.

Analysis by the Legislative Reference Bureau

TAXATION

OTHER TAXATION

This bill imposes the sales tax and the use tax on digital audio works, digital audiovisual works, digital books, or finished artwork that are transferred electronically to a purchaser.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Amend 8-22A
2
3
4

SECTION 1. 77.51 (3n) of the statutes is created to read:

77.51 (3n) "Digital audio works" means works that result from the fixation of a series of musical, spoken, or other sounds that are transferred electronically,



8-22

1 including prerecorded or live music, prerecorded or live readings of books or other
2 written materials, prerecorded or live speeches, or ringtones, but not including audio
3 greeting cards sent by electronic mail.

4 SECTION 2. 77.51 (3p) ^{3pa} of the statutes is created to read:

5 77.51 (3p) ^{3pa (P)} "Digital audiovisual works" means a series of related images that,
6 when shown in succession, impart an impression of motion, along with
7 accompanying sounds, if any, that are transferred electronically. "Digital
8 audiovisual works" includes motion pictures, musical videos, news programs, and
9 live events, but does not include video greeting cards sent by electronic mail or video
10 or electronic games. ^{3pb}

11 SECTION 3. 77.51 (3q) ^{3pb} of the statutes is created to read:

12 77.51 (3q) ^{3pb} "Digital books" means works that are generally recognized as books
13 and are transferred electronically. "Digital books" includes novels, nonfiction works,
14 and short stories, but does not include newspapers, periodicals, chat room
15 discussions, or blogs. (end of 8-22A)

16 SECTION 4. 77.51 (3s) ^{3pa} of the statutes is created to read:

17 77.51 (3s) ^{3pa} "Finished artwork" means the final art used for actual reproduction
18 by photomechanical or other processes or for display purposes. "Finished artwork"
19 also includes all of the following items regardless of whether such items are
20 reproduced:

- 21 (a) Drawings.
- 22 (b) Paintings.
- 23 (c) Designs.
- 24 (d) Photographs.
- 25 (e) Lettering.

INSERT 10-24

*end
of insert
10-24A*

- 1 (f) Paste-ups.
- 2 (g) Mechanicals.
- 3 (h) Assemblies.
- 4 (i) Charts.
- 5 (j) Graphs.
- 6 (k) Illustrative materials.

7 **SECTION 5.** 77.51 (13) (e) of the statutes is amended to read:

8 77.51 (13) (e) A person selling tangible personal property, digital audio works,
 9 digital audiovisual works, digital books, or finished artwork to a service provider who
 10 transfers the property in conjunction with the selling, performing, or furnishing of
 11 any service and the property, digital audio works, digital audiovisual works, digital
 12 books, or finished artwork is incidental to the service, unless the service provider is
 13 selling, performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., and 20.
 14 This subsection does not apply to sub. (2).

15 **SECTION 6.** 77.51 (13) (f) of the statutes is amended to read:

16 77.51 (13) (f) A service provider who transfers tangible personal property,
 17 digital audio works, digital audiovisual works, digital books, or finished artwork in
 18 conjunction with but not incidental to the selling, performing, or furnishing of any
 19 service and a service provider selling, performing or furnishing services under s.
 20 77.52 (2) (a) 7., 10., 11., and 20. This subsection does not apply to sub. (2).

21 **SECTION 7.** 77.51 (13^{rm}) of the statutes is created to read:

22 77.51 (13^{rm}) "Ringtones" means digitized sound files that are downloaded
 23 onto a device and that may used to alert a customer with regard to a communication.
 24 "Ringtones" includes MP3 or musical tones, polyphonic tones, and synthetic music
 25 mobile application format tones, but does not include ring-back tones.

INSERT 23-25

1 SECTION 8. 77.51 (14) (L) of the statutes is amended to read:

2 77.51 (14) (L) Transfers by a service provider of tangible personal property,
3 digital audio works, digital audiovisual works, digital books, or finished artwork in
4 conjunction with but not incidental to the selling, performing, or furnishing of any
5 service, and transfers by a service provider selling, performing, or furnishing
6 services under s. 77.52 (2) (a) 7., 10., 11., and 20. This subsection does not apply to
7 sub. (2).

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8 SECTION 9. 77.51 (21s) of the statutes is created to read:

9 77.51 (21s) "Transferred electronically" means accessed or obtained by a
10 purchaser by means other than tangible storage media.

11 SECTION 10. 77.52 (1) of the statutes is renumbered 77.52 (1) (a).

12 SECTION 11. 77.52 (1) (b) of the statutes is created to read:

13 77.52 (1) (b) For the privilege of selling, licensing, leasing, or renting digital
14 audio works, digital audiovisual works, digital books, or finished artwork that are
15 transferred electronically to a purchaser, a tax is imposed on all retailers at the rate
16 of 5 percent of the gross receipts from the sale, license, lease, or rental of the audio
17 works, digital audiovisual works, digital books, or finished artwork.

18 SECTION 12. 77.52 (2m) (a) of the statutes is amended to read:

19 77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part
20 of the charge for the service may be deemed a sale or rental of tangible personal
21 property, digital audio works, digital audiovisual works, digital books, or finished
22 artwork if the property, digital audio works, digital audiovisual works, digital books,
23 or finished artwork transferred by the service provider is incidental to the selling,
24 performing, or furnishing of the service, except as provided in par. (b).

25 SECTION 13. 77.52 (2m) (b) of the statutes is amended to read:

1 77.52 (2m) (b) With respect to the services subject to tax under sub. (2) (a) 7.,
2 10., 11., and 20., all property, digital audio works, digital audiovisual works, digital
3 books, or finished artwork physically or electronically transferred to the customer in
4 conjunction with the selling, performing, or furnishing of the service is a sale of
5 tangible personal property, digital audio works, digital audiovisual works, digital
6 books, or finished artwork separate from the selling, performing, or furnishing of the
7 service.

8 **SECTION 14.** 77.53 (1) of the statutes is amended to read:

9 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
10 on the use or consumption in this state of taxable services under s. 77.52 purchased
11 from any retailer, at the rate of 5% of the sales price of those services; on the storage,
12 use, or other consumption in this state of tangible personal property purchased from
13 any retailer, at the rate of 5% of the sales price of that property; on the storage, use,
14 or, other consumption of digital audio works, digital audiovisual works, digital books,
15 or finished artwork purchased from any retailer and transferred electronically to the
16 purchaser, at the rate of 5% of the sales price of such items; and on the storage, use,
17 or other consumption of tangible personal property manufactured, processed, or
18 otherwise altered, in or outside this state, by the person who stores, uses, or
19 consumes it, from material purchased from any retailer, at the rate of 5% of the sales
20 price of that material.

21 **SECTION 15.** 77.54 (50) of the statutes is created to read:

22 77.54 (50) The gross receipts from the sale of and the storage, use, or other
23 consumption of digital audio works, digital audiovisual works, digital books, or
24 finished artwork that are transferred electronically to the purchaser, if the sale of

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

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

4 (1) ~~SALES AND USE TAX ON ITEMS DELIVERED ELECTRONICALLY.~~ The treatment of
5 sections 77.51 (3n), (3p), (3q), (3s), (13) (e) and (f), (13rm), (14) (L), and (21s), 77.52
6 (2m) (a) and (b), 77.53 (1), and 77.54 (50) of the statutes, the renumbering and
7 amendment of section 77.52 (1) of the statutes, and the creation of section 77.52 (1)
8 (b) of the statutes take effect on September 1, 2007.

9

(END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0728/3dn

JK:lmk(jf)

(date)

Darren:

This draft incorporates the changes recommended by DOR, except as follows: ✓

1. I did not change the title of s. 77.522 (3). The title of that subsection remains "Telecommunications." That title is broad enough to cover everything in that subsection without being misleading. Furthermore, because a statutory title has no legal affect, I am reluctant to change a title that is both short and accurate in a general sense. ✓

2. I did not rewrite s. 77.51 (1bm) (d), related to a "bundled transaction," to incorporate the Latin term "de minimis" because the language created in the bill accurately reflects that provision's intent without using the arcane term. ✓ Please note that Chapter 110, Wisconsin Laws of 1979, changed Latin and Latin-based terms in the statutes to their English equivalents and directed the revisor of statutes to prepare legislation to do the same. ✓ In other words, I cannot use the term "de minimis" in this draft or in any other. ✓

3. I did not duplicate "word-for-word" the streamlined sales tax project definition of "prewritten computer software" under s. 77.51 (10r) because, as I have indicated to DOR with regard to previous drafts, the definition crafted by the project is poorly written and confusing. ✓ Please note that the definition created in the draft is the same definition used in the 2003 and 2005 drafts related to implementing the substantive provisions of the project and approved by the DOR analyst previously assigned to the project proposal. ✓ In short, without further belaboring the point, I will not be using the project's verbatim definition of "prewritten computer software." ✓

Please contact me if you have any questions.

Joseph T. Kreye
Legislative Attorney
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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0728/3dn

JK:lmk:rs

January 24, 2007

Darren:

This draft incorporates the changes recommended by DOR, except as follows:

1. I did not change the title of s. 77.522 (3). The title of that subsection remains "Telecommunications." That title is broad enough to cover everything in that subsection without being misleading. Furthermore, because a statutory title has no legal affect, I am reluctant to change a title that is both short and accurate in a general sense.
2. I did not rewrite s. 77.51 (1bm) (d), related to a "bundled transaction," to incorporate the Latin term "de minimis" because the language created in the bill accurately reflects that provision's intent without using the arcane term. Please note that Chapter 110, Wisconsin Laws of 1979, changed Latin and Latin-based terms in the statutes to their English equivalents and directed the revisor of statutes to prepare legislation to do the same. In other words, I cannot use the term "de minimis" in this draft or in any other.
3. I did not duplicate "word-for-word" the streamlined sales tax project definition of "prewritten computer software" under s. 77.51 (10r) because, as I have indicated to DOR with regard to previous drafts, the definition crafted by the project is poorly written and confusing. Please note that the definition created in the draft is the same definition used in the 2003 and 2005 drafts related to implementing the substantive provisions of the project and approved by the DOR analyst previously assigned to the project proposal. In short, without further belaboring the point, I will not be using the project's verbatim definition of "prewritten computer software."

Please contact me if you have any questions.

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