

1 ***-0721/2.6* SECTION 2137.** 71.83 (1) (a) 1. of the statutes is amended to read:

2 71.83 (1) (a) 1. 'Failure to file.' In case of failure to file any return required
3 under s. 71.03, 71.24 ~~or~~, 71.44, or 71.775 on the due date prescribed therefor,
4 including any applicable extension of time for filing, unless it is shown that the
5 failure is due to reasonable cause and not due to willful neglect, there shall be added
6 to the amount required to be shown as tax on the return 5% of the amount of the tax
7 if the failure is for not more than one month, with an additional 5% for each
8 additional month or fraction thereof during which the failure continues, not
9 exceeding 25% in the aggregate. For purposes of this subdivision, the amount of tax
10 required to be shown on the return shall be reduced by the amount of any part of the
11 tax which is paid on or before the due date prescribed for payment and by the amount
12 of any credit against the tax which may be claimed upon the return.

13 ***-0891/1.2* SECTION 2138.** 71.90 (2) of the statutes is amended to read:

14 71.90 (2) ~~DEPOSIT WITH THE SECRETARY OF ADMINISTRATION DEPARTMENT~~ At any
15 time while the petition is pending before the tax appeals commission or an appeal
16 in regard to that petition is pending in a court, the taxpayer may offer to deposit the
17 entire amount of the additional taxes, penalties, and fines, together with interest,
18 with the ~~secretary of administration~~. If an offer to deposit is made, the department
19 of revenue shall issue a certificate to the secretary of administration authorizing the
20 secretary to accept payment of such taxes together with interest to the first day of
21 the succeeding month and to give a receipt. A copy of the certificate shall be mailed
22 to the taxpayer who shall pay the taxes and interest to the secretary of
23 administration within 30 days. A copy of the receipt of the secretary of
24 administration shall be filed with the department. The department shall, upon final
25 determination of the appeal, certify to the secretary of administration the amount

1 of the taxes as finally determined and direct the secretary of administration to refund
2 to the appellant any portion of such payment which has been found to have been
3 improperly assessed, including interest. The secretary of administration shall make
4 the refunds directed by the certificate within 30 days after receipt. Taxes paid to the
5 secretary of administration under this subsection shall be subject to the interest
6 provided by ss. 71.82 and 71.91 (1) (c) only to the extent of the interest accrued on
7 the taxes prior to the first day of the month succeeding the application for hearing.
8 Any portion of the amount deposited with the secretary of administration which is
9 refunded to the taxpayer shall bear interest at the rate of 9% per year during the time
10 that the funds are on deposit.

11 ***-1261/5.698* *-1267/P1.215* SECTION 2139.** 71.93 (1) (a) 2. of the statutes
12 is amended to read:

13 71.93 (1) (a) 2. A delinquent child support or spousal support obligation that
14 has been reduced to a judgment and has been submitted by an agency of another
15 state to the department of workforce development children and families for
16 certification under this section.

17 ***-1261/5.699* *-1267/P1.216* SECTION 2140.** 71.93 (1) (a) 4. of the statutes
18 is amended to read:

19 71.93 (1) (a) 4. An amount that the department of workforce development
20 children and families may recover under s. 49.161 or 49.195 (3) or collect under s.
21 49.147 (6) (cm), if the department of workforce development children and families
22 has certified the amount under s. 49.85.

23 ***-1182/P3.5* SECTION 2141.** 73.01 (4) (b) of the statutes is amended to read:

24 73.01 (4) (b) Any matter required to be heard by the commission may be heard
25 by any member of the commission or its a hearing examiner and reported to the

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1 commission, and hearings of matters pending before it shall be assigned to members
2 of the commission or its the hearing examiner by the chairperson. Cases other than
3 small claims cases shall be decided by the full commission, except that if one or more
4 members of the commission are unavailable, cases other than small claims cases
5 shall be decided by the member or members assigned by the chairperson prior to the
6 hearing. If the parties have agreed to an oral decision, the member or members
7 conducting the hearing may render an oral decision. Hearings shall be open to the
8 public and all proceedings shall be conducted in accordance with rules of practice and
9 procedure prescribed by the commission. Small claims cases shall be decided by one
10 commissioner assigned by the chairperson prior to the hearing.

11 ***-1182/P3.6* SECTION 2142.** 73.01 (4m) (b) of the statutes is amended to read:

12 73.01 (4m) (b) No member of the commission, including the chairperson, or its
13 a hearing examiner may receive any salary unless he or she first executes an
14 affidavit at the end of each salary period stating that he or she has complied with the
15 deadlines in par. (a). The affidavit shall be presented to and filed with every official
16 who certifies, in whole or in part, the salary.

17 ***-1182/P3.7* SECTION 2143.** 73.01 (4m) (c) of the statutes is amended to read:

18 73.01 (4m) (c) If a member of the commission, including the chairperson, or its
19 a hearing examiner is unable to comply with the deadline under par. (a), that person
20 shall so certify in the record, and the period is then extended for one additional period
21 not to exceed 90 days.

22 ***-1183/5.4* SECTION 2144.** 73.03 (2a) of the statutes is amended to read:

23 73.03 (2a) To prepare, ~~have published and distribute to each property tax~~
24 ~~assessor and to others who so request~~ and publish, in electronic form and on the
25 Internet, assessment manuals. The manual shall discuss and illustrate accepted

1 assessment methods, techniques and practices with a view to more nearly uniform
2 and more consistent assessments of property at the local level. The manual shall be
3 amended by the department from time to time to reflect advances in the science of
4 assessment, court decisions concerning assessment practices, costs, and statistical
5 and other information considered valuable to local assessors by the department. The
6 manual shall incorporate standards for the assessment of all types of renewable
7 energy resource systems used in this state as soon as such systems are used in
8 sufficient numbers and sufficient data exists to allow the formulation of valid
9 guidelines. The manual shall incorporate standards, which the department of
10 revenue and the state historical society of Wisconsin shall develop, for the
11 assessment of nonhistoric property in historic districts and for the assessment of
12 historic property, including but not limited to property that is being preserved or
13 restored; property that is subject to a protective easement, covenant or other
14 restriction for historic preservation purposes; property that is listed in the national
15 register of historic places in Wisconsin or in this state's register of historic places and
16 property that is designated as a historic landmark and is subject to restrictions
17 imposed by a municipality or by a landmarks commission. The manual shall
18 incorporate general guidelines about ways to determine whether property is taxable
19 in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in specific
20 situations. The manual shall state that assessors are required to comply with s. 70.32
21 (1g) and shall suggest procedures for doing so. The manual or a supplement to it shall
22 specify per acre value guidelines for each municipality for various categories of
23 agricultural land based on the income that could be generated from its estimated
24 rental for agricultural use, as defined by rule, and capitalization rates established
25 by rule. The manual shall include guidelines for classifying land as agricultural

1 land, as defined in s. 70.32 (2) (c) 1g., and guidelines for distinguishing between land
2 and improvements to land. The cost of the development, preparation, and Internet
3 ~~publication and distribution~~ of the manual and of revisions and amendments to it
4 shall be borne by the assessors and requesters at an individual volume cost or a
5 subscription cost as determined by the department. All receipts shall be credited to
6 paid from the appropriation under s. 20.566 (2) (hi). ~~The department may provide~~
7 ~~free assessment manuals to other state agencies or exchange them at no cost with~~
8 ~~agencies of other states or of the federal government for similar information or~~
9 ~~publications~~ (b).

10 *~~0728/6.15~~* SECTION 2145. 73.03 (28e) of the statutes is created to read:

11 73.03 (28e) To participate as a member state of the streamlined sales tax
12 governing board which administers the agreement, as defined in s. 77.65 (2) (a), and
13 includes having the governing board enter into contracts that are necessary to
14 implement the agreement on behalf of the member states, and to allocate a portion
15 of the amount collected under ch. 77 through the agreement to the appropriation
16 under s. 20.566 (1) (ho) to pay the dues necessary to participate in the governing
17 board. The department shall allocate the remainder of such collections to the general
18 fund.

19 *~~1261/5.700~~* *~~1267/P1.217~~* SECTION 2146. 73.03 (50) (c) of the statutes is
20 amended to read:

21 73.03 (50) (c) In the case of an applicant who is an individual and who has a
22 social security number, sets forth the social security number of the applicant or, in
23 the case of an applicant who is an individual and who does not have a social security
24 number, submits a statement made or subscribed under oath or affirmation that the
25 applicant does not have a social security number. The form of the statement shall

1 be prescribed by the department of ~~workforce development~~ children and families. A
2 certificate issued in reliance upon a false statement submitted under this paragraph
3 is invalid.

4 ***-0728/6.16* SECTION 2147.** 73.03 (50) (d) of the statutes is amended to read:

5 73.03 (50) (d) In the case of a sole proprietor, signs the form or, in the case of
6 other persons, has an individual who is authorized to act on behalf of the person sign
7 the form, or, in the case of a single-owner entity that is disregarded as a separate
8 entity under section 7701 of the Internal Revenue Code, the person is the owner. Any
9 person who may register under this subsection may designate an agent, as defined
10 in s. 77.524 (1) (ag), to register with the department under this subsection in the
11 manner prescribed by the department. In this paragraph, "sign" has the meaning
12 given in s. 77.51 (17r).

13 ***-0728/6.17* SECTION 2148.** 73.03 (50b) of the statutes is created to read:

14 73.03 (50b) To waive the fee established under sub. (50) for applying for and
15 renewing the business tax registration certificate, if the person who is applying for
16 or renewing the certificate is not required for purposes of ch. 77 to hold such a
17 certificate.

18 ***-1261/5.701* *-1267/P1.218* SECTION 2149.** 73.03 (50m) of the statutes is
19 amended to read:

20 73.03 (50m) To enter into a memorandum of understanding with the
21 department of ~~workforce development~~ children and families under s. 49.857. The
22 department of revenue shall suspend, refuse to issue or refuse to renew any
23 certificate issued under sub. (50) as provided in the memorandum of understanding
24 entered into under s. 49.857. Notwithstanding ss. 71.78 and 77.61 (5), the
25 department of revenue shall disclose to the department of ~~workforce development~~

1 children and families the social security number of any applicant for a certificate
2 issued under sub. (50) as provided in the memorandum of understanding.

3 ***-0723/1.1* SECTION 2150.** 73.03 (52n) of the statutes is created to read:

4 **73.03 (52n)** To enter into agreements with federally recognized tribes located
5 in this state that provide for offsetting state tax refunds against tribal obligations
6 and to charge a fee up to \$25 per transaction for such setoffs. Any legal proceeding
7 to contest a setoff under this subsection shall be commenced only under the process
8 established by the tribe.

9 ***-0728/6.18* SECTION 2151.** 73.03 (61) of the statutes is created to read:

10 **73.03 (61)** To do all of the following related to the Uniform Sales and Use Tax
11 Administration Act:

12 (a) Certify compliance with the agreement, as defined in s. 77.65 (2) (a).

13 (b) Pursuant to the agreement, as defined in s. 77.65 (2) (a), certify certified
14 service providers, as defined in s. 77.51 (1g), and certified automated systems, as
15 defined in s. 77.524 (1) (am).

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

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

3 (d) Issue a tax identification number to a person who claims an exemption
4 under subch. III or V of ch. 77 and who is not required to register with the department
5 for the purposes of subch. III or V of ch. 77 and establish procedures for the
6 registration of such a person.

7 (e) Maintain a database that is accessible to sellers and certified service
8 providers, as defined in s. 77.51 (1g), that indicates whether items defined in
9 accordance with the Uniform Sales and Use Tax Administration Act are taxable or
10 nontaxable.

11 (f) Maintain a database that is accessible to sellers and certified service
12 providers, as defined in s. 77.51 (1g), and available in a downloadable format, that
13 indicates tax rates, taxing jurisdiction boundaries, and zip code or address
14 assignments related to the administration of taxes imposed under subchs. III and V
15 of ch. 77.

16 (g) Set forth the information that the seller shall provide to the department for
17 tax exemptions claimed by purchasers and establish the manner in which a seller
18 shall provide such information to the department.

19 (h) Provide monetary allowances, in addition to the retailer's discount provided
20 under s. 77.61 (4) (c), to certified service providers, as defined in s. 77.51 (1g), and
21 sellers that use certified automated systems, as defined in s. 77.524 (1) (am), or
22 proprietary systems, pursuant to the agreement as defined in s. 77.65 (2) (a).

23 ***-1361/4.6* SECTION 2152.** 73.03 (63) of the statutes is created to read:

24 73.03 (63) Notwithstanding the amount limitations specified under ss. 71.07
25 (5b) (c) 1. and (5d) (c) 1., 71.28 (5b) (c) 1., 71.47 (5b) (c) 1., and 560.205 (3) (d), in

1 consultation with the department of commerce, to carry forward to subsequent
2 taxable years unclaimed credit amounts of the early stage seed investment credits
3 under ss. 71.07 (5b), 71.28 (5b), and 71.47 (5b) and the angel investment credit under
4 s. 71.07 (5d). Annually, no later than July 1, the department of commerce shall
5 submit to the department of revenue its recommendations for the carry forward of
6 credit amounts as provided under this subsection.

7 ***-1261/5.702* *-1261/P3.524* SECTION 2153.** 73.0301 (1) (d) 2. of the statutes
8 is amended to read:

9 73.0301 (1) (d) 2. A license issued by the department of ~~health and family~~
10 services children and families under s. 48.66 (1) (a) to a child welfare agency, group
11 home, shelter care facility, or day care center, as required by s. 48.60, 48.625, 48.65,
12 or 938.22 (7).

13 ***-1261/5.703* *-1261/P3.525* SECTION 2154.** 73.0301 (1) (e) of the statutes
14 is amended to read:

15 73.0301 (1) (e) "Licensing department" means the department of
16 administration; the board of commissioners of public lands; the department of
17 commerce; the department of children and families; the ethics board; the department
18 of financial institutions; the department of health and family services; the
19 department of natural resources; the department of public instruction; the
20 department of regulation and licensing; the department of workforce development;
21 the office of the commissioner of insurance; or the department of transportation.

22 ***-1261/5.704* *-1267/P1.219* SECTION 2155.** 73.0301 (2) (c) 1. am. of the
23 statutes is amended to read:

24 73.0301 (2) (c) 1. am. If the applicant is an individual and does not have a social
25 security number, a statement made or subscribed under oath or affirmation that the

1 applicant does not have a social security number. The form of the statement shall
2 be prescribed by the department of ~~workforce development~~ children and families. A
3 license issued in reliance upon a false statement submitted under this subd. 1. am.
4 is invalid.

5 ***-1261/5.705* *-1267/P1.220* SECTION 2156.** 73.0301 (2) (c) 2. of the statutes
6 is amended to read:

7 73.0301 (2) (c) 2. A licensing department may not disclose any information
8 received under subd. 1. a. or b. to any person except to the department of revenue for
9 the purpose of requesting certifications under par. (b) 2. in accordance with the
10 memorandum of understanding under sub. (4) and administering state taxes or to
11 the department of ~~workforce development~~ children and families for the purpose of
12 administering s. 49.22.

13 ***-1009/7.2* SECTION 2157.** 74.09 (3) (b) 6m. of the statutes is created to read:

14 74.09 (3) (b) 6m. The amount of the credit under s. 79.10 (5m) allocable to the
15 property for the previous year and the current year, and the percentage change
16 between those years.

17 ***-1009/7.3* SECTION 2158.** 74.09 (3) (b) 7. of the statutes is amended to read:

18 74.09 (3) (b) 7. The amount obtained by subtracting the amount amounts under
19 subd. subds. 6. and 6m. from the amount under subd. 5., for the previous year and
20 the current year, and the percentage change in that amount between those years.

21 ***-0728/6.19* SECTION 2159.** 76.07 (4g) (b) 8. of the statutes is amended to read:

22 76.07 (4g) (b) 8. Determine transport-related revenue by adding public service
23 revenue allocated to this state on the basis of routes for which the company is
24 authorized to receive subsidy payments, mutual aid allocated to this state on the
25 basis of the ratio of transport revenues allocated to this state to transport revenues

1 everywhere in the previous year, in-flight sales allocated to this state as they are
2 allocated under s. ~~77.51 (14r)~~ 77.522 and all other transport-related revenues from
3 sales made in this state.

4 ***-0486/1.23* SECTION 2160.** 76.636 (1) (e) of the statutes is amended to read:

5 76.636 (1) (e) "Member of a targeted group" means a person who resides in an
6 area designated by the federal government as an economic revitalization area, a
7 person who is employed in an unsubsidized job but meets the eligibility requirements
8 under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who
9 is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work, real pay
10 project position under s. 49.147 (3m), a person who is eligible for child care assistance
11 under s. 49.155, a person who is a vocational rehabilitation referral, an economically
12 disadvantaged youth, an economically disadvantaged veteran, a supplemental
13 security income recipient, a general assistance recipient, an economically
14 disadvantaged ex-convict, a qualified summer youth employee, as defined in 26 USC
15 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or a food stamp
16 recipient, if the person has been certified in the manner under s. 71.47 (1dj) (am) 3.
17 by a designated local agency, as defined in s. 71.47 (1dj) (am) 2.

18 ***-0486/1.24* SECTION 2161.** 76.636 (2) (b) of the statutes is amended to read:

19 76.636 (2) (b) The amount determined by multiplying the amount determined
20 under s. 560.785 (1) (b) by the number of full-time jobs created in a development zone
21 and filled by a member of a targeted group and by then subtracting the subsidies paid
22 under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m)
23 (c) for those jobs.

24 ***-0486/1.25* SECTION 2162.** 76.636 (2) (c) of the statutes is amended to read:

1 **SALES AND USE TAXES; COUNTY**
2 **AND SPECIAL DISTRICT SALES**
3 **AND USE TAXES; MANAGED FOREST**
4 **LAND; TEMPORARY RECYCLING**
5 **SURCHARGE; LOCAL FOOD AND**
6 **BEVERAGE TAX; LOCAL RENTAL**
7 **CAR TAX; PREMIER RESORT AREA**
8 **TAXES; STATE RENTAL VEHICLE FEE;**
9 **DRY CLEANING FEES; REGIONAL**
10 **TRANSIT AUTHORITY FEE;**
11 **OIL COMPANY ASSESSMENT**

12 *-1181/9.20* SECTION 2166. 77.22 (1) of the statutes is amended to read:

13 77.22 (1) There is imposed on the grantor of real estate a real estate transfer
14 fee at the rate of 30 ~~60~~ cents for each \$100 of value or fraction thereof on every
15 conveyance not exempted or excluded under this subchapter. In regard to land
16 contracts the value is the total principal amount that the buyer agrees to pay the
17 seller for the real estate. This fee shall be collected by the register at the time the
18 instrument of conveyance is submitted for recording. Except as provided in s. 77.255,
19 at the time of submission the grantee or his or her duly authorized agent or other
20 person acquiring an ownership interest under the instrument, or the clerk of court
21 in the case of a foreclosure under s. 846.16 (1), shall execute a return, signed by both
22 grantor and grantee, on the form prescribed under sub. (2). The register shall enter
23 the fee paid on the face of the deed or other instrument of conveyance before
24 recording, and, except as provided in s. 77.255, submission of a completed real estate
25 transfer return and collection by the register of the fee shall be prerequisites to

1 acceptance of the conveyance for recording. The register shall have no duty to
2 determine either the correct value of the real estate transferred or the validity of any
3 exemption or exclusion claimed. If the transfer is not subject to a fee as provided in
4 this subchapter, the reason for exemption shall be stated on the face of the
5 conveyance to be recorded by reference to the proper subsection under s. 77.25.

6 ***-1181/9.21* SECTION 2167.** 77.24 of the statutes is amended to read:

7 **77.24 Division of fee.** Twenty Ten percent of all fees collected under this
8 subchapter shall be retained by the county and the balance shall be transmitted to
9 the state. Remittances shall be made monthly by the county treasurers to the
10 department of revenue by the 15th day of the month following the close of the month
11 in which the fee was collected. The remittance to the department shall be
12 accompanied by the returns executed under s. 77.22. The state shall deposit all
13 moneys received under this section into the county aid fund.

14 ***-0728/6.20* SECTION 2168.** 77.51 (1) of the statutes is renumbered 77.51 (1fd)
15 and amended to read:

16 77.51 (1fd) "Business" includes any activity engaged in by any person or caused
17 to be engaged in by any person with the object of gain, benefit or advantage, either
18 direct or indirect, and includes also the furnishing and distributing of tangible
19 personal property, specified digital goods, additional digital goods, or taxable
20 services for a consideration by social clubs and fraternal organizations to their
21 members or others.

****NOTE: This is reconciled s.77.51 (1) . This SECTION has been affected by drafts
with the following LRB numbers: 0725 and 0728.

22 ***-0728/6.21* SECTION 2169.** 77.51 (1a) of the statutes is created to read:

1 77.51 (1a) "Additional digital goods" means video greeting cards sent by
2 electronic mail, finished artwork, periodicals, and video or electronic games. For
3 purposes of this subchapter, the sale of or the storage, use, or other consumption of
4 a digital code is treated the same as the sale of or the storage, use, or other
5 consumption of any additional digital goods for which the digital code relates.

6 *-0728/6.22* SECTION 2170. 77.51 (1b) of the statutes is created to read:

7 77.51 (1b) "Alcoholic beverage" means a beverage that is suitable for human
8 consumption and that contains 0.5 percent or more of alcohol by volume.

9 *-0728/6.24* SECTION 2171. 77.51 (1ba) of the statutes is created to read:

10 77.51 (1ba) "Ancillary services" means services that are associated with or
11 incidental to providing telecommunications services, including detailed
12 telecommunications billing, directory assistance, vertical service, and voice mail
13 services, but not including specified digital goods.

14 *-0728/6.23* SECTION 2172. 77.51 (1f) of the statutes is created to read:

15 77.51 (1f) "Bundled transaction" means the retail sale of 2 or more products,
16 not including real property and services to real property, if the products are distinct
17 and identifiable products and sold for one nonitemized price. "Bundled transaction"
18 does not include any of the following:

19 (a) The sale of any products for which the sales price varies or is negotiable
20 based on the purchaser's selection of the products included in the transaction.

21 (b) 1. The retail sale of tangible personal property and a service, if the tangible
22 personal property is essential to the use of the service, and provided exclusively in
23 connection with the service, and if the true object of the transaction is the service.

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

4 (c) The retail sale of services, if one of the services is essential to the use or
5 receipt of another service, and provided exclusively in connection with the other
6 service, and if the true object of the transaction is the other service.

7 (d) A transaction that includes taxable and nontaxable products, if the seller's
8 purchase price or the sales price of the taxable products is no greater than 10 percent
9 of the seller's total purchase price or sales price of all the bundled products, as
10 determined by the seller using either the seller's purchase price or sales price, but
11 not a combination of both, or, in the case of a service contract, the full term of the
12 service contract.

13 (e) The retail sale of taxable tangible personal property and tangible personal
14 property that is exempt from the taxes imposed under this subchapter, if the
15 transaction includes food and food ingredients, drugs, durable medical equipment,
16 mobility-enhancing equipment, prosthetic devices, or medical supplies and if the
17 seller's purchase price or the sales price of the taxable tangible personal property is
18 no greater than 50 percent of the seller's total purchase price or sales price of all the
19 tangible personal property included in what would otherwise be a bundled
20 transaction, as determined by the seller using either the seller's purchase price or
21 the sales price, but not a combination of both.

22 *-0725/3.1* SECTION 2173. 77.51 (1d) of the statutes is created to read:

23 77.51 (1d) "Biotechnologies" include recombinant deoxyribonucleic acid
24 techniques, biochemistry, molecular and cellular biology, genetics, genetic
25 engineering, biological cell fusion, and other bioprocesses.

1 ***-0725/3.2* SECTION 2174.** 77.51 (1e) of the statutes is created to read:

2 77.51 (1e) "Biotechnology business" means a business, as certified by the
3 department in the manner prescribed by the department, that is primarily engaged
4 in the application of biotechnologies that use a living organism or parts of an
5 organism to produce or modify products to improve plants or animals, develop
6 microorganisms for specific uses, identify targets for small molecule pharmaceutical
7 development, or transform biological systems into useful processes and products.

8 ***-0728/6.25* SECTION 2175.** 77.51 (1fm) of the statutes is created to read:

9 77.51 (1fm) "Candy" means a preparation of sugar, honey, or other natural or
10 artificial sweetener combined with chocolate, fruit, nuts, or other ingredients or
11 flavorings in the form of bars, drops, or pieces. "Candy" does not include a
12 preparation that contains flour or that requires refrigeration.

13 ***-1823/2.1* SECTION 2176.** 77.51 (1j) of the statutes is created to read:

14 77.51 (1j) "Catalog" means a printed and bound, stitched, sewed, or stapled
15 book containing a list and description of property or services for sale, regardless of
16 whether a price is specified.

17 ***-0728/6.26* SECTION 2177.** 77.51 (1n) of the statutes is created to read:

18 77.51 (1n) "Computer" means an electronic device that accepts information in
19 digital or similar form and that manipulates such information to achieve a result
20 based on a sequence of instructions.

21 ***-0728/6.27* SECTION 2178.** 77.51 (1p) of the statutes is created to read:

22 77.51 (1p) "Computer software" means a set of coded instructions designed to
23 cause a computer or automatic data processing equipment to perform a task.

24 "Computer software" does not include specified digital goods.

25 ***-0728/6.28* SECTION 2179.** 77.51 (1r) of the statutes is created to read:

1 77.51 (1r) "Conference bridging service" means an ancillary service that links
2 2 or more participants of an audio or video conference call and may include providing
3 a telephone number, but does not include the telecommunications services used to
4 reach the conference bridge.

5 *-0728/6.29* SECTION 2180. 77.51 (2k) of the statutes is created to read:

6 77.51 (2k) "Delivered electronically" means delivered to a purchaser by means
7 other than by tangible storage media.

8 *-0728/6.30* SECTION 2181. 77.51 (2m) of the statutes is created to read:

9 77.51 (2m) "Delivery charges" means charges by a seller to prepare and deliver
10 tangible personal property or services to a location designated by the purchaser of
11 the tangible personal property or services, including charges for transportation,
12 shipping, postage, handling, crating, and packing.

13 *-0728/6.31* SECTION 2182. 77.51 (3c) of the statutes is created to read:

14 77.51 (3c) "Detailed telecommunications billing service" means an ancillary
15 service that separately indicates information pertaining to individual calls on a
16 customer's billing statement.

17 *-0728/6.32* SECTION 2183. 77.51 (3n) of the statutes is created to read:

18 77.51 (3n) "Dietary supplement" means a product, other than tobacco, that is
19 intended to supplement a person's diet, if all of the following apply:

20 (a) The product contains any of the following ingredients or any combination
21 of any of the following ingredients:

22 1. A vitamin.

23 2. A mineral.

24 3. An herb or other botanical.

25 4. An amino acid.

1 5. A dietary substance that is intended for human consumption to supplement
2 the diet by increasing total dietary intake.

3 6. A concentrate, metabolite, constituent, or extract.

4 (b) The product is intended for ingestion in tablet, capsule, powder, soft-gel,
5 gel-cap, or liquid form, or, if not intended for ingestion in such forms, is not
6 represented as conventional food and is not represented for use as the sole item of
7 a meal or diet.

8 (c) The product is required to be labeled as a dietary supplement as required
9 under 21 CFR 101.36.

10 *-0728/6.33* SECTION 2184. 77.51 (3p) of the statutes is created to read:

11 77.51 (3p) "Digital audio works" means works that result from the fixation of
12 a series of musical, spoken, or other sounds that are transferred electronically,
13 including prerecorded or live music, prerecorded or live readings of books or other
14 written materials, prerecorded or live speeches, or ringtones, but not including audio
15 greeting cards sent by electronic mail.

16 *-0728/6.34* SECTION 2185. 77.51 (3pa) of the statutes is created to read:

17 77.51 (3pa) "Digital audiovisual works" means a series of related images that,
18 when shown in succession, impart an impression of motion, along with
19 accompanying sounds, if any, that are transferred electronically. "Digital
20 audiovisual works" includes motion pictures, musical videos, news programs, and
21 live events, but does not include video greeting cards sent by electronic mail or video
22 or electronic games.

23 *-0728/6.35* SECTION 2186. 77.51 (3pb) of the statutes is created to read:

24 77.51 (3pb) "Digital books" means works that are generally recognized as
25 books and are transferred electronically. "Digital books" includes novels, nonfiction

1 works, and short stories, but does not include newspapers, periodicals, chat room
2 discussions, or blogs.

3 ***-0728/6.36* SECTION 2187.** 77.51 (3pc) of the statutes is created to read:

4 77.51 (3pc) "Digital code" means a code that provides the person who holds the
5 code a right to obtain an additional digital good, a digital audiovisual work, digital
6 audio work, or digital book and that may be obtained by any means, including
7 tangible forms and electronic mail, regardless of whether the code is designated as
8 song code, video code, or book code. "Digital code" includes codes used to access or
9 obtain any specified digital goods, or any additional digital goods that have been
10 previously purchased, and promotion cards or codes that are purchased by a retailer
11 or other business entity for use by the retailer's or entity's customers. "Digital code"
12 does not include the following:

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

16 2. Digital cash that represents a monetary value that a customer may use to
17 pay for a future purchase.

18 ***-0728/6.37* SECTION 2188.** 77.51 (3pd) of the statutes is created to read:

19 77.51 (3pd) "Direct mail" means printed material that is delivered by the U.S.
20 postal service or other delivery service to a mass audience or to addressees on a
21 mailing list provided by or at the direction of the purchaser of the printed material,
22 if the cost of the printed material or any tangible personal property included with the
23 printed material is not billed directly to the recipients of the printed material.

24 "Direct mail" includes any tangible personal property provided directly or indirectly
25 by the purchaser of the printed material to the seller of the printed material for

1 inclusion in any package containing the printed material, including billing invoices,
2 return envelopes, and additional marketing materials. "Direct mail" does not
3 include multiple items of printed material delivered to a single address.

4 ***-0728/6.38* SECTION 2189.** 77.51 (3pe) of the statutes is created to read:

5 77.51 (3pe) "Directory assistance" means an ancillary service that provides
6 telephone numbers or addresses.

7 ***-0728/6.39* SECTION 2190.** 77.51 (3pf) of the statutes is created to read:

8 77.51 (3pf) "Distinct and identifiable product" does not include any of the
9 following:

10 (a) Packaging, including containers, boxes, sacks, bags, bottles, and envelopes;
11 and other materials, including wrapping, labels, tags, and instruction guides; that
12 accompany, and are incidental or immaterial to, the retail sale of any product.

13 (b) A product that is provided free of charge to the consumer in conjunction with
14 the purchase of another product, if the sales price of the other product does not vary
15 depending on whether the product provided free of charge is included in the
16 transaction.

17 (c) Any items specified under sub. (12m) (a) or (15b) (a).

18 ***-0728/6.40* SECTION 2191.** 77.51 (3pj) of the statutes is created to read:

19 77.51 (3pj) "Drug" means a compound, substance, or preparation, or any
20 component of them, other than food and food ingredients, dietary supplements, or
21 alcoholic beverages, to which any of the following applies:

22 (a) It is listed in the United States Pharmacopoeia, Homeopathic
23 Pharmacopoeia of the United States, or National Formulary, or any supplement to
24 any of them.

1 (b) It is intended for use in diagnosing, curing, mitigating, treating, or
2 preventing a disease.

3 (c) It is intended to affect a function or structure of the body.

4 ***-0728/6.41* SECTION 2192.** 77.51 (3pm) of the statutes is created to read:

5 77.51 (3pm) "Durable medical equipment" means equipment, including the
6 repair parts and replacement parts for the equipment that is primarily and
7 customarily used for a medical purpose related to a person; that can withstand
8 repeated use; that is not generally useful to a person who is not ill or injured; and that
9 is not placed in or worn on the body. "Durable medical equipment" does not include
10 mobility-enhancing equipment.

11 ***-0728/6.42* SECTION 2193.** 77.51 (3pn) of the statutes is created to read:

12 77.51 (3pn) "Eight hundred service" means a telecommunications service that
13 allows a caller to dial a toll-free number without incurring a charge for the call and
14 is marketed under "800," "855," "866," "877," or "888" toll-free calling, or any other
15 number designated as toll-free by the federal communications commission.

16 ***-0728/6.43* SECTION 2194.** 77.51 (3po) of the statutes is created to read:

17 77.51 (3po) "Electronic" means relating to technology having electrical, digital,
18 magnetic, wireless, optical, electromagnetic, or similar capabilities.

19 ***-0728/6.44* SECTION 2195.** 77.51 (3pq) of the statutes is created to read:

20 77.51 (3pq) "Finished artwork" means the final art used for actual
21 reproduction by photomechanical or other processes or for display purposes.
22 "Finished artwork" also includes all of the following items regardless of whether such
23 items are reproduced:

24 (a) Drawings.

25 (b) Paintings.

1 (c) Designs.

2 (d) Photographs.

3 (e) Lettering.

4 (f) Paste-ups.

5 (g) Mechanicals.

6 (h) Assemblies.

7 (i) Charts.

8 (j) Graphs.

9 (k) Illustrative materials.

10 ***-0728/6.45* SECTION 2196.** 77.51 (3rm) of the statutes is created to read:

11 77.51 (3rm) "Fixed wireless service" means a telecommunications service that
12 provides radio communication between fixed points.

13 ***-0728/6.46* SECTION 2197.** 77.51 (3t) of the statutes is created to read:

14 77.51 (3t) "Food and food ingredient" means a substance in liquid,
15 concentrated, solid, frozen, dried, or dehydrated form, that is sold for ingestion, or
16 for chewing, by humans and that is ingested or chewed for its taste or nutritional
17 value. "Food and food ingredient" does not include alcoholic beverages or tobacco.

18 ***-0728/6.47* SECTION 2198.** 77.51 (4) of the statutes is repealed.

19 ***-0728/6.48* SECTION 2199.** 77.51 (5) of the statutes is amended to read:

20 77.51 (5) For purposes of subs. (13) (e) and (f) and (14) ~~(L)~~ (15a) and s. 77.52
21 (2m), "incidental" means depending upon or appertaining to something else as
22 primary; something necessary, appertaining to, or depending upon another which is
23 termed the principal; something incidental to the main purpose of the service.
24 Tangible personal property, specified digital goods, or additional digital goods
25 transferred by a service provider is incidental to the service if the purchaser's main

1 purpose or objective is to obtain the service rather than the property or goods, even
2 though the property or goods may be necessary or essential to providing the service.

3 ***-0728/6.49* SECTION 2200.** 77.51 (5d) of the statutes is created to read:

4 77.51 (5d) "International telecommunications services" means
5 telecommunications services that originate or terminate in the United States,
6 including the District of Columbia and any U.S. territory or possession and originate
7 or terminate outside of the United States, including the District of Columbia and any
8 U.S. territory or possession.

9 ***-0728/6.50* SECTION 2201.** 77.51 (5n) of the statutes is created to read:

10 77.51 (5n) "Interstate telecommunications services" means
11 telecommunications services that originate in one state or U.S. territory or
12 possession and terminate in a different state or U.S. territory or possession.

13 ***-0728/6.51* SECTION 2202.** 77.51 (5r) of the statutes is created to read:

14 77.51 (5r) "Intrastate telecommunications services" means
15 telecommunications services that originate in one state or U.S. territory or
16 possession and terminate in the same state or U.S. territory or possession.

17 ***-0728/6.52* SECTION 2203.** 77.51 (6m) of the statutes is renumbered 77.51
18 (5m).

19 ***-0728/6.53* SECTION 2204.** 77.51 (7) of the statutes is repealed and recreated
20 to read:

21 77.51 (7) (a) "Lease or rental" means any transfer of possession or control of
22 tangible personal property for a fixed or indeterminate term and for consideration
23 and includes:

24 1. A transfer that includes future options to purchase or extend.

1 2. Agreements related to the transfer of possession or control of motor vehicles
2 or trailers, if the amount of any consideration may be increased or decreased by
3 reference to the amount realized on the sale or other disposition of such motor
4 vehicles or trailers, consistent with section 7701 (h) (1) of the Internal Revenue Code.

5 (b) "Lease or rental" does not include any of the following:

6 1. A transfer of possession or control of tangible personal property under a
7 security agreement or deferred payment plan, if such agreement or plan requires
8 transferring title to the tangible personal property after making all required
9 payments.

10 2. A transfer of possession or control of tangible personal property under any
11 agreement that requires transferring title to the tangible personal property after
12 making all required payments and after paying an option price that does not exceed
13 the greater of \$100 or 1 percent of the total amount of the required payments.

14 3. Providing tangible personal property along with an operator, if the operator
15 is necessary for the tangible personal property to perform in the manner for which
16 it is designed and if the operator does more than maintain, inspect, or set up the
17 tangible personal property.

18 (c) 1. Transfers described under par. (a) are considered a lease or rental,
19 regardless of whether such transfer is considered a lease or rental under generally
20 accepted accounting principles, or any provision of federal or local law, or any other
21 provision of state law.

22 2. Transfers described under par. (b) are not considered a lease or rental,
23 regardless of whether such transfer is considered a lease or rental under generally
24 accepted accounting principles, or any provision of federal or local law, or any other
25 provision of state law.

1 ***-0728/6.54*** SECTION 2205. 77.51 (7g) of the statutes is created to read:

2 77.51 (7g) "Load-and-leave" means delivery to a purchaser by using a tangible
3 storage media that is not physically transferred to the purchaser.

4 ***-0728/6.55*** SECTION 2206. 77.51 (7k) of the statutes is created to read:

5 77.51 (7k) "Mobile wireless service" means a telecommunications service for
6 which the origination or termination points of the service's transmission,
7 conveyance, or routing are not fixed, regardless of the technology used to transmit,
8 convey, or route the service. "Mobile wireless service" includes a telecommunications
9 service provided by a commercial mobile radio service provider.

10 ***-0728/6.56*** SECTION 2207. 77.51 (7m) of the statutes is created to read:

11 77.51 (7m) "Mobility-enhancing equipment" means equipment, including the
12 repair parts and replacement parts for the equipment, that is primarily and
13 customarily used to provide or increase the ability of a person to move from one place
14 to another; that may be used in a home or motor vehicle; and that is generally not
15 used by a person who has normal mobility. "Mobility-enhancing equipment" does
16 not include a motor vehicle or any equipment on a motor vehicle that is generally
17 provided by a motor vehicle manufacturer.

18 ***-0728/6.57*** SECTION 2208. 77.51 (8m) of the statutes is created to read:

19 77.51 (8m) "Nine hundred service" means an inbound toll telecommunications
20 service purchased by a subscriber that allows the subscriber's customers to call the
21 subscriber's prerecorded announcement or live service. "Nine hundred service" does
22 not include any charge for collection services provided by the seller of the
23 telecommunications services to the subscriber or for any product or service the
24 subscriber sells to the subscriber's customers. A "nine hundred service" is

1 designated with the "900" number or any other number designated by the federal
2 communications commission.

3 ***-0728/6.58* SECTION 2209.** 77.51 (9) (a) of the statutes is amended to read:

4 77.51 (9) (a) Isolated and sporadic sales of tangible personal property, specified
5 digital goods, additional digital goods, or taxable services where the infrequency, in
6 relation to the other circumstances, including the sales price and the gross profit,
7 support the inference that the seller is not pursuing a vocation, occupation or
8 business or a partial vocation or occupation or part-time business as a vendor of
9 personal property, specified digital goods, additional digital goods, or taxable
10 services. No sale of any tangible personal property, specified digital goods, additional
11 digital goods, or taxable service may be deemed an occasional sale if at the time of
12 such sale the seller holds or is required to hold a seller's permit, except that this
13 provision does not apply to an organization required to hold a seller's permit solely
14 for the purpose of conducting bingo games and except as provided in par. (am).

15 ***-0728/6.59* SECTION 2210.** 77.51 (9) (am) of the statutes is amended to read:

16 77.51 (9) (am) The sale of personal property, other than inventory held for sale,
17 previously used by a seller to conduct its trade or business at a location after that
18 person has ceased actively operating in the regular course of business as a seller of
19 tangible personal property, specified digital goods, additional digital goods, or
20 taxable services at that location, even though the seller holds a seller's permit for one
21 or more other locations.

22 ***-0728/6.60* SECTION 2211.** 77.51 (9p) of the statutes is created to read:

23 77.51 (9p) "One nonitemized price" does not include a price that is separately
24 identified by product on a binding sales document, or other sales-related document,
25 that is made available to the customer in paper or electronic form, including an

1 invoice, a bill of sale, a receipt, a contract, a service agreement, a lease agreement,
2 a periodic notice of rates and services, a rate card, or a price list.

3 ***-0728/6.61* SECTION 2212.** 77.51 (9s) of the statutes is created to read:

4 77.51 (9s) "Paging service" means a telecommunications service that transmits
5 coded radio signals to activate specific pagers and may include messages or sounds.

6 ***-0728/6.62* SECTION 2213.** 77.51 (10) of the statutes is amended to read:

7 77.51 (10) "Person" includes any natural person, firm, partnership, limited
8 liability company, joint venture, joint stock company, association, public or private
9 corporation, the United States, the state, including any unit or division of the state,
10 any county, city, village, town, municipal utility, municipal power district or other
11 governmental unit, cooperative, unincorporated cooperative association, estate,
12 trust, receiver, personal representative, any other fiduciary, any other legal entity,
13 and any representative appointed by order of any court or otherwise acting on behalf
14 of others. "Person" also includes the owner of a single-owner entity that is
15 disregarded as a separate entity under ch. 71.

16 ***-0728/6.63* SECTION 2214.** 77.51 (10d) of the statutes is created to read:

17 77.51 (10d) "Prepaid calling service" means the right to exclusively access
18 telecommunications services, if that right is paid for in advance of providing such
19 services, requires using an access number or authorization code to originate calls,
20 and is sold in predetermined units or dollars that decrease with use in a known
21 amount.

22 ***-0728/6.64* SECTION 2215.** 77.51 (10f) of the statutes is created to read:

23 77.51 (10f) "Prepaid wireless calling service" means a telecommunications
24 service that provides the right to utilize mobile wireless service as well as other
25 nontelecommunications services, including the download of digital products

1 delivered electronically, content, and ancillary services, and that is paid for prior to
2 use and sold in predetermined dollar units whereby the number of units declines
3 with use in a known amount.

4 *-0728/6.65* SECTION 2216. 77.51 (10m) of the statutes is created to read:

5 77.51 (10m) (a) "Prepared food" means:

6 1. Food and food ingredients sold in a heated state.

7 2. Food and food ingredients heated by the retailer, except as provided in par.

8 (b).

9 3. Food and food ingredients sold with eating utensils that are provided by the
10 retailer of the food and food ingredients, including plates, knives, forks, spoons,
11 glasses, cups, napkins, or straws. In this subdivision, "plate" does not include a
12 container or packaging used to transport food and food ingredients. For purposes of
13 this subdivision, a retailer provides utensils if any of the following applies:

14 a. The utensils are available to purchasers and the retailer's sales of prepared
15 food under subs. 1. and 2., soft drinks, and alcoholic beverages at an establishment
16 are more than 75 percent of the retailer's total sales at that establishment, as
17 determined under par. (c).

18 b. For retailers not described under subd. 3. a., the retailer's customary practice
19 is to physically give or hand the utensils to the purchaser, not including plates,
20 glasses, or cups that are necessary for the purchaser to receive the food and food
21 ingredients and that the retailer makes available to the purchaser.

22 4. Except as provided in par. (b), 2 or more food ingredients mixed or combined
23 by a retailer for sale as a single item.

24 (b) "Prepared food" under par. (a) 2. and 4. does not include:

1 1. Two or more food ingredients mixed or combined by a retailer for sale as a
2 single item, if the retailer's primary classification in the 2002 North American
3 Industry Classification System, published by the federal office of management and
4 budget, is manufacturing under subsector 311, not including bakeries and tortilla
5 manufacturing under industry group number 3118.

6 2. Two or more food ingredients mixed or combined by a retailer for sale as a
7 single item, sold unheated, and sold by volume or weight.

8 3. Bakery items made by a retailer, including breads, rolls, pastries, buns,
9 biscuits, bagels, croissants, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,
10 cookies, and tortillas.

11 4. Food and food ingredients that are only sliced, repackaged, or pasteurized
12 by a retailer.

13 5. Eggs, fish, meat, and poultry, and foods containing any of them in raw form,
14 that require cooking by the consumer, as recommended by the food and drug
15 administration in chapter 3, part 401.11 of its food code to prevent food-borne
16 illnesses.

17 (c) 1. The percentage specified under par. (a) 3. a. shall be determined using the
18 following:

19 a. A numerator that includes sales of prepared food, as defined in par. (a) 1. and
20 2. and food for which plates, bowls, glasses, or cups are necessary to receive the food,
21 but not including alcoholic beverages.

22 b. A denominator that includes all food and food ingredients, including
23 prepared food, candy, dietary supplements, and soft drinks, but not including
24 alcoholic beverages.

1 2. a. If the percentage determined under subd. 1. is 75 percent or less, utensils
2 are considered to be provided by the retailer if the retailer's customary practice is to
3 physically give or hand the utensils to the purchaser or, in the case of plates, bowls,
4 glasses, or cups that are necessary to receive the food, to make such items available
5 to the purchaser.

6 b. If the percentage determined under subd. 1. is greater than 75 percent,
7 utensils are considered to be provided by the retailer if the utensils are made
8 available to the purchaser.

9 3. For a retailer whose percentage determined under subd. 1. is greater than
10 75 percent, an item sold by the retailer that contains 4 or more servings packaged
11 as 1 item and sold for a single price does not become prepared food simply because
12 the retailer makes utensils available to the purchaser of the item, but does become
13 prepared food if the retailer physically gives or hands utensils to the purchaser of the
14 item. For purposes of this subdivision 3. a., serving sizes are based on the
15 information contained on the label of each item sold, except that, if the item has no
16 label, the serving size is based on the retailer's reasonable determination.

17 4. a. Except as provided in subd. 4. b., if a retailer sells food items that have a
18 utensil placed in a package by a person other than the retailer, the utensils are
19 considered to be provided by the retailer.

20 b. Except as provided in subds. 2. and 3., if a retailer sells food items that have
21 a utensil placed in a package by a person other than the retailer and the person's
22 primary classification in the 2002 North American Industry Classification System,
23 published by the federal office of management and budget, is manufacturing under
24 subsector 311, the utensils are not considered to be provided by the retailer.

1 5. For purposes of par. (a) 3., a retailer shall determine the percentage for the
2 retailer's tax year or business fiscal year, based on the retailer's data from the
3 retailer's prior tax year or business fiscal year, as soon as practical after the retailer's
4 accounting records are available, but not later than 90 days after the day on which
5 the retailer's tax year or business fiscal year begins. For retailer's with more than
6 one establishment in this state, a single determination under subd. 1. that combines
7 the information for all of the retailer's establishments in this state shall be made
8 annually, as provided in this subdivision, and apply to each of the retailer's
9 establishments in this state. A retailer that has no prior tax year or business fiscal
10 year shall make a good faith estimate of its percentage for purposes of par. (a) 3. for
11 the retailer's first tax year or business fiscal year and shall adjust the estimate
12 prospectively after the first 3 months of the retailer's operations if the actual
13 percentage is materially different from the estimated percentage.

14 ***-0728/6.66* SECTION 2217.** 77.51 (10n) of the statutes is created to read:

15 77.51 (10n) "Prescription" means an order, formula, or recipe that is issued by
16 any oral, written, electronic, or other means of transmission and by a person who is
17 authorized by the laws of this state to issue such an order, formula, or recipe.

18 ***-0728/6.67* SECTION 2218.** 77.51 (10r) of the statutes is created to read:

19 77.51 (10r) "Prewritten computer software" means any of the following:

20 (a) Computer software that is not designed and developed by the author or
21 creator of the software according to a specific purchaser's specifications.

22 (b) Computer software upgrades that are not designed and developed by the
23 author or creator of the software according to a specific purchaser's specifications.

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1 (c) Computer software that is designed and developed by the author or creator
2 of the software according to a specific purchaser's specifications and that is sold to
3 another purchaser.

4 (d) Any combination of computer software under pars. (a) to (c), including any
5 combination with any portion of such software.

6 (e) Computer software as described under pars. (a) to (d), and any portion of
7 such software, that is modified or enhanced by any degree to a specific purchaser's
8 specifications, except such modification or enhancement that is reasonably and
9 separately indicated on an invoice, or other statement of the price, provided to the
10 purchaser.

11 ***-0728/6.68* SECTION 2219.** 77.51 (10s) of the statutes is created to read:

12 **77.51 (10s)** "Private communication service" means a telecommunications
13 service that entitles the customer to exclusive or priority use of a communications
14 channel or group of communications channels, regardless of the manner in which the
15 communications channel or group of communications channels is connected, and
16 includes switching capacity, extension lines, stations, and other associated services
17 that are provided in connection with the use of such channel or channels.

18 ***-0728/6.69* SECTION 2220.** 77.51 (11d) of the statutes is created to read:

19 **77.51 (11d)** "Product" includes tangible personal property, specified digital
20 goods, additional digital goods, and services.

21 ***-0728/6.70* SECTION 2221.** 77.51 (11m) of the statutes is created to read:

22 **77.51 (11m)** "Prosthetic device" means a device, including the repair parts and
23 replacement parts for the device, that is placed in or worn on the body to artificially
24 replace a missing portion of the body; to prevent or correct a physical deformity or
25 malfunction; or to support a weak or deformed portion of the body.

1 ***-0728/6.71*** SECTION 2222. 77.51 (12) (a) of the statutes is amended to read:

2 77.51 (12) (a) Any transfer of title, possession, ownership, enjoyment, or use
3 by: cash or credit transaction, exchange, barter, lease or rental, conditional or
4 otherwise, in any manner or by any means whatever of tangible personal property,
5 specified digital goods, or additional digital goods for a consideration;

6 ***-0728/6.72*** SECTION 2223. 77.51 (12) (b) of the statutes is amended to read:

7 77.51 (12) (b) A transaction whereby the possession of property, specified
8 digital goods, or additional digital goods is transferred but the seller retains the title
9 as security for the payment of the price.

10 ***-0728/6.73*** SECTION 2224. 77.51 (12m) of the statutes is created to read:

11 77.51 (12m) (a) "Purchase price" means the total amount of consideration,
12 including cash, credit, property, and services, for which tangible personal property,
13 specified digital goods, additional digital goods, or services are sold, leased, or rented,
14 valued in money, whether paid in money or otherwise, without any deduction for the
15 following:

16 1. The seller's cost of the property, specified digital goods, or additional digital
17 goods sold.

18 2. The cost of materials used, labor or service cost, interest, losses, all costs of
19 transportation to the seller, all taxes imposed on the seller, and any other expense
20 of the seller.

21 3. Charges by the seller for any services necessary to complete a sale, not
22 including delivery and installation charges.

23 4. a. Delivery charges, except as provided in par. (b) 4.

24 b. If a shipment includes property that is subject to tax under this subchapter
25 and property that is not subject to tax under this subchapter, the amount of the

1 delivery charge allocated to the property that is subject to tax under this subchapter
2 based on the total purchase price of the property that is subject to tax under this
3 subchapter as compared to the total purchase price of all the property or on the total
4 weight of the property that is subject to tax under this subchapter as compared to the
5 total weight of all the property.

6 5. Installation charges.

7 (b) "Purchase price" does not include:

8 1. Discounts, including cash, terms, or coupons, that are not reimbursed by a
9 3rd party, except as provided in par. (c); that are allowed by a seller; and that are
10 taken by a purchaser on a sale.

11 2. Interest, financing, and carrying charges from credit that is extended on a
12 sale of personal property, specified digital goods, additional digital goods, or services,
13 if the amount of the interest, financing, or carrying charges is separately stated on
14 the invoice, bill of sale, or similar document that the seller gives to the purchaser.

15 3. Any taxes legally imposed directly on the purchaser that are separately
16 stated on the invoice, bill of sale, or similar document that the seller gives to the
17 purchaser.

18 4. Delivery charges for direct mail.

19 5. In all transactions in which an article of tangible personal property is traded
20 toward the purchase of an article of greater value, the amount of the purchase price
21 that represents the amount allowed for the article traded, except that this
22 subdivision does not apply to any transaction to which subd. 7. or 8. applies.

23 6. If a person who purchases a motor vehicle presents a statement issued under
24 s. 218.0171 (2) (cq) to the seller at the time of purchase, and the person presents the
25 statement to the seller within 60 days from the date of receiving a refund under s.

1 218.0171 (2) (b) 2. b., the trade-in amount specified in the statement issued under
2 s. 218.0171 (2) (cq), but not to exceed the purchase price from the sale of the motor
3 vehicle. This subdivision applies only to the first motor vehicle purchased by a
4 person after receiving a refund under s. 218.0171 (2) (b) 2. b.

5 7. Thirty-five percent of the purchase price, excluding trade-ins, of a new
6 mobile home, as defined in s. 340.01 (29), that is a primary housing unit or of a new
7 mobile home, as defined in s. 340.01 (29), that is transported in 2 unattached sections
8 if the total size of the combined sections, not including additions and attachments,
9 is at least 984 square feet measured when the sections are ready for transport. This
10 subdivision does not apply to a lease or rental.

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

17 (c) "Purchase price" includes consideration received by the seller from a 3rd
18 party, if:

19 1. The seller actually receives consideration from a 3rd party, other than the
20 purchaser, and the consideration is directly related to a price reduction or discount
21 on a sale.

22 2. The seller is obliged to pass the price reduction or discount to the purchaser.

23 3. The amount of the consideration that is attributable to the sale is a fixed
24 amount and the seller is able to determine that amount at the time of the sale to the
25 purchaser.

1 4. The purchaser presents a coupon, certificate, or other documentation to the
2 seller to claim the price reduction or discount, if the coupon, certificate, or other
3 documentation is authorized, distributed, or granted by the 3rd party with the
4 understanding that the 3rd party will reimburse the seller for the amount of the price
5 reduction or discount.

6 5. The purchaser identifies himself or herself to the seller as a member of a
7 group or organization that may claim the price reduction or discount.

8 6. The seller provides an invoice to the purchaser, or the purchaser presents a
9 coupon, certificate, or other documentation to the seller, that identifies the price
10 reduction or discount as a 3rd-party price reduction or discount.

11 ***-0728/6.74* SECTION 2225.** 77.51 (12p) of the statutes is created to read:

12 77.51 (12p) "Purchaser" means a person to whom a sale of tangible personal
13 property is made or to whom a service is furnished.

14 ***-0728/6.75* SECTION 2226.** 77.51 (13) (a) of the statutes is amended to read:

15 77.51 (13) (a) Every seller who makes any sale, regardless of whether the sale
16 is mercantile in nature, of tangible personal property, specified digital goods, or
17 additional digital goods, or a service specified under s. 77.52 (2) (a).

18 ***-0728/6.76* SECTION 2227.** 77.51 (13) (b) of the statutes is amended to read:

19 77.51 (13) (b) Every person engaged in the business of making sales of tangible
20 personal property, specified digital goods, or additional digital goods for storage, use
21 or consumption or in the business of making sales at auction of tangible personal
22 property, specified digital goods, or additional digital goods owned by the person or
23 others for storage, use or other consumption.

24 ***-0728/6.77* SECTION 2228.** 77.51 (13) (c) of the statutes is amended to read:

1 77.51 (13) (c) When the department determines that it is necessary for the
2 efficient administration of this subchapter to regard any salespersons,
3 representatives, peddlers or canvassers as the agents of the dealers, distributors,
4 supervisors or employers under whom they operate or from whom they obtain the
5 tangible personal property, specified digital goods, or additional digital goods sold by
6 them, irrespective of whether they are making the sales on their own behalf or on
7 behalf of such dealers, distributors, supervisors or employers, the department may
8 so regard them and may regard the dealers, distributors, supervisors or employers
9 as retailers for purposes of this subchapter.

10 *~~0728/6.78~~* SECTION 2229. 77.51 (13) (d) of the statutes is amended to read:

11 77.51 (13) (d) Every wholesaler to the extent that the wholesaler sells tangible
12 personal property, specified digital goods, or additional digital goods to a person
13 other than a seller as defined in sub. (17) provided such wholesaler is not expressly
14 exempt from the sales tax on such sale or from collecting the use tax on such sale.

15 *~~0728/6.79~~* SECTION 2230. 77.51 (13) (e) of the statutes is amended to read:

16 77.51 (13) (e) A person selling tangible personal property, specified digital
17 goods, or additional digital goods to a service provider who transfers the property in
18 conjunction with the selling, performing or furnishing of any service and the
19 property is or goods are incidental to the service, unless the service provider is
20 selling, performing or furnishing services under s. 77.52 (2) (a) 7., 10., 11. and 20.
21 This subsection does not apply to sub. (2).

22 *~~0728/6.80~~* SECTION 2231. 77.51 (13) (f) of the statutes is amended to read:

23 77.51 (13) (f) A service provider who transfers tangible personal property,
24 specified digital goods, or additional digital goods in conjunction with but not
25 incidental to the selling, performing or furnishing of any service and a service

SECTION 2231

1 provider selling, performing or furnishing services under s. 77.52 (2) (a) 7., 10., 11.
2 and 20. This subsection does not apply to sub. (2).

3 ***-0728/6.81* SECTION 2232.** 77.51 (13) (k) of the statutes is amended to read:

4 77.51 (13) (k) ~~As respects~~ With regards to a lease, any person deriving rentals
5 from a lease of tangible personal property, specified digital goods, or additional
6 digital goods situated in this state.

7 ***-0728/6.82* SECTION 2233.** 77.51 (13) (m) of the statutes is amended to read:

8 77.51 (13) (m) A person selling tangible personal property, specified digital
9 goods, or additional digital goods to a veterinarian to be used or furnished by the
10 veterinarian in the performance of services in some manner related to domestic
11 animals, including pets or poultry.

12 ***-0728/6.83* SECTION 2234.** 77.51 (13) (n) of the statutes is amended to read:

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

17 ***-0728/6.84* SECTION 2235.** 77.51 (13) (o) of the statutes is amended to read:

18 77.51 (13) (o) A person selling medicine drugs for animals to a veterinarian.
19 As used in this paragraph, "animal" includes livestock, pets and poultry.

20 ***-0728/6.85* SECTION 2236.** 77.51 (13g) (intro.) of the statutes is amended to
21 read:

22 77.51 (13g) (intro.) Except as provided in sub. (13h), "retailer engaged in
23 business in this state", ~~unless otherwise limited by federal statute,~~ for purposes of
24 the use tax, means any of the following:

25 ***-0728/6.86* SECTION 2237.** 77.51 (13g) (c) of the statutes is created to read:

1 77.51 (13g) (c) Any retailer selling tangible personal property or taxable
2 services for storage, use, or other consumption in this state, unless otherwise limited
3 by federal law.

4 ***-0728/6.87* SECTION 2238.** 77.51 (13r) of the statutes is amended to read:

5 77.51 (13r) Any person purchasing from a retailer as defined in sub. (13) shall
6 be deemed the consumer of the tangible personal property, specified digital goods,
7 additional digital goods, or services purchased.

8 ***-0728/6.88* SECTION 2239.** 77.51 (13rm) of the statutes is created to read:

9 77.51 (13rm) "Retail sale" or "sale at retail" means any sale, lease, or rental
10 for any purpose other than resale, sublease, or subrent.

11 ***-0728/6.89* SECTION 2240.** 77.51 (13rn) of the statutes is created to read:

12 77.51 (13rn) "Ringtones" means digitized sound files that are downloaded onto
13 a device and that may be used to alert the customer with regard to a communication.
14 "Ringtones" includes MP3 or musical tones, polyphonic tones, and synthetic music
15 mobile application format tones, but does not include ring-back tones.

16 ***-0728/6.90* SECTION 2241.** 77.51 (14) (intro.) of the statutes is amended to
17 read:

18 77.51 (14) (intro.) "Sale", "~~sale, lease or rental~~", "~~retail sale~~", "~~sale at retail~~", or
19 ~~equivalent terms include~~ includes any one or all of the following: the transfer of the
20 ownership of, title to, possession of, or enjoyment of tangible personal property,
21 specified digital goods, additional digital goods, or services for use or consumption
22 but not for resale as tangible personal property, specified digital goods, additional
23 digital goods, or services and includes:

24 ***-0728/6.91* SECTION 2242.** 77.51 (14) (a) of the statutes is amended to read:

1 77.51 (14) (a) Any sale at an auction ~~in~~ with respect to tangible personal
2 property, specified digital goods, or additional digital goods which ~~is~~ are sold to a
3 successful bidder. ~~The proceeds from, except~~ the sale of property or goods sold at
4 auction which ~~is~~ are bid in by the seller and on which title does not pass to a new
5 purchaser shall ~~be deducted from the gross proceeds of the sale and the tax paid only~~
6 on the net proceeds.

7 ***-0728/6.92* SECTION 2243.** 77.51 (14) (b) of the statutes is amended to read:

8 77.51 (14) (b) The furnishing or distributing of tangible personal property,
9 specified digital goods, additional digital goods, or taxable services for a
10 consideration by social clubs and fraternal organizations to their members or others.

11 ***-0728/6.93* SECTION 2244.** 77.51 (14) (c) of the statutes is amended to read:

12 77.51 (14) (c) A transaction whereby the possession of tangible personal
13 property ~~is,~~ specified digital goods, or additional digital goods are transferred but the
14 seller retains the title as security for the payment of the price.

15 ***-0728/6.94* SECTION 2245.** 77.51 (14) (d) of the statutes is repealed.

16 ***-0728/6.95* SECTION 2246.** 77.51 (14) (g) of the statutes is renumbered 77.51
17 (15a) (b) 4.

18 ***-0728/6.96* SECTION 2247.** 77.51 (14) (h) of the statutes is amended to read:

19 77.51 (14) (h) A transfer for a consideration of the title or possession of tangible
20 personal property, specified digital goods, or additional digital goods which ~~has~~ have
21 been produced, fabricated, or printed to the special order of the customer or of any
22 publication.

23 ***-0728/6.97* SECTION 2248.** 77.51 (14) (i) of the statutes is repealed.

24 ***-0728/6.98* SECTION 2249.** 77.51 (14) (j) of the statutes is amended to read:

1 77.51 (14) (j) The granting of possession of tangible personal property, specified
2 digital goods, or additional digital goods by a lessor to a lessee, or to another person
3 at the direction of the lessee. Such a transaction is deemed a continuing sale in this
4 state ~~by the lessor for the duration of the lease as respects any period of time the~~
5 leased property is situated in this state, irrespective of the time or place of delivery
6 of the property to the lessee or such other person.

7 *-0728/6.99* SECTION 2250. 77.51 (14) (k) of the statutes is repealed.

8 *-0728/6.100* SECTION 2251. 77.51 (14) (L) of the statutes is repealed.

9 *-0728/6.101* SECTION 2252. 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;

13 *-0728/6.102* SECTION 2253. 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;

17 *-0728/6.103* SECTION 2254. 77.51 (14g) (bm) of the statutes is amended to
18 read:

19 77.51 (14g) (bm) The contribution of property, specified digital goods, or
20 additional digital goods to a limited liability company upon its organization solely in
21 consideration for a membership interest;

22 *-0728/6.104* SECTION 2255. 77.51 (14g) (c) of the statutes is amended to read:

23 77.51 (14g) (c) The transfer of property, specified digital goods, or additional
24 digital goods to a corporation, solely in consideration for the issuance of its stock,
25 pursuant to a merger or consolidation;

SECTION 2256

1 ***-0728/6.105* SECTION 2256.** 77.51 (14g) (cm) of the statutes is amended to
2 read:

3 77.51 (14g) (cm) The transfer of property, specified digital goods, or additional
4 digital goods to a limited liability company, solely in consideration for a membership
5 interest, pursuant to a merger;

6 ***-0728/6.106* SECTION 2257.** 77.51 (14g) (d) of the statutes is amended to read:

7 77.51 (14g) (d) The distribution of property, specified digital goods, or
8 additional digital goods by a corporation to its stockholders as a dividend or in whole
9 or partial liquidation;

10 ***-0728/6.107* SECTION 2258.** 77.51 (14g) (e) of the statutes is amended to read:

11 77.51 (14g) (e) The distribution of property, specified digital goods, or
12 additional digital goods by a partnership to its partners in whole or partial
13 liquidation;

14 ***-0728/6.108* SECTION 2259.** 77.51 (14g) (em) of the statutes is amended to
15 read:

16 77.51 (14g) (em) The distribution of property, specified digital goods, or
17 additional digital goods by a limited liability company to its members in whole or
18 partial liquidation;

19 ***-0728/6.109* SECTION 2260.** 77.51 (14g) (f) of the statutes is amended to read:

20 77.51 (14g) (f) Repossession of property, specified digital goods, or additional
21 digital goods by the seller from the purchaser when the only consideration is
22 cancellation of the purchaser's obligation to pay the remaining balance of the
23 purchase price;

24 ***-0728/6.110* SECTION 2261.** 77.51 (14g) (g) of the statutes is amended to read:

1 77.51 (14g) (g) The transfer of property, specified digital goods, or additional
2 digital goods in a reorganization as defined in section 368 of the internal revenue
3 code in which no gain or loss is recognized for franchise or income tax purposes; or

4 ***-0728/6.111*** SECTION 2262. 77.51 (14g) (h) of the statutes is amended to read:

5 77.51 (14g) (h) Any transfer of all or substantially all the property, specified
6 digital goods, or additional digital goods held or used by a person in the course of an
7 activity requiring the holding of a seller's permit, if after the transfer the real or
8 ultimate ownership of the property or goods is substantially similar to that which
9 existed before the transfer. For the purposes of this section, stockholders,
10 bondholders, partners, members or other persons holding an interest in a
11 corporation or other entity are regarded as having the real or ultimate ownership of
12 the property or goods of the corporation or other entity. In this paragraph,
13 "substantially similar" means 80% or more of ownership.

14 ***-0728/6.112*** SECTION 2263. 77.51 (14r) of the statutes is repealed.

15 ***-0728/6.113*** SECTION 2264. 77.51 (15) of the statutes is repealed.

16 ***-0728/6.114*** SECTION 2265. 77.51 (15a) of the statutes is created to read:

17 77.51 (15a) (a) "Sales, lease, or rental for resale, sublease, or subrent" includes
18 transfers of tangible personal property, specified digital goods, or additional digital
19 goods to a service provider that the service provider transfers in conjunction with but
20 not incidental to the selling, performing, or furnishing of any service, and transfers
21 of tangible personal property, specified digital goods, or additional digital goods to
22 a service provider that the service provider physically transfers in conjunction with
23 the selling, performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., or 20.

24 This paragraph does not apply to sub. (2).

1 (b) "Sales, lease, or rental for resale, sublease, or subrent" does not include any
2 of the following:

3 1. The sale of building materials, supplies, and equipment to owners,
4 contractors, subcontractors, or builders for use in real property construction
5 activities or the alteration, repair, or improvement of real property, regardless of the
6 quantity of such materials, supplies, and equipment sold.

7 2. Any sale of tangible personal property, specified digital goods, or additional
8 digital goods to a purchaser even though such property or goods may be used or
9 consumed by some other person to whom such purchaser transfers the tangible
10 personal property or goods without valuable consideration, such as gifts, and
11 advertising specialties distributed at no charge and apart from the sale of other
12 tangible personal property, specified digital goods, additional digital goods, or
13 service.

14 3. Transfers of tangible personal property, specified digital goods, or additional
15 digital goods to a service provider that the service provider transfers in conjunction
16 with the selling, performing, or furnishing of any service, if the tangible personal
17 property, specified digital goods, or additional digital goods are incidental to the
18 service, unless the service provider is selling, performing, or furnishing services
19 under s. 77.52 (2) (a) 7., 10., 11., or 20.

20 ***-0728/6.115* SECTION 2266.** 77.51 (15b) of the statutes is created to read:

21 77.51 (15b) (a) "Sales price" means the total amount of consideration, including
22 cash, credit, property, and services, for which tangible personal property, specified
23 digital goods, additional digital goods, or services are sold, leased, or rented, valued
24 in money, whether received in money or otherwise, without any deduction for the
25 following:

1 1. The seller's cost of the property, specified digital goods, or additional digital
2 goods sold.

3 2. The cost of materials used, labor or service cost, interest, losses, all costs of
4 transportation to the seller, all taxes imposed on the seller, and any other expense
5 of the seller.

6 3. Charges by the seller for any services necessary to complete a sale, not
7 including delivery and installation charges.

8 4. a. Delivery charges, except as provided in par. (b) 4.

9 b. If a shipment includes property that is subject to tax under this subchapter
10 and property that is not subject to tax under this subchapter, the amount of the
11 delivery charge allocated to the property that is subject to tax under this subchapter
12 based on the total sales price of the property that is subject to tax under this
13 subchapter as compared to the total sales price of all the property or on the total
14 weight of the property that is subject to tax under this subchapter as compared to the
15 total weight of all the property.

16 5. Installation charges.

17 (b) "Sales price" does not include:

18 1. Discounts, including cash, terms, or coupons, that are not reimbursed by a
19 3rd party, except as provided in par. (c); that are allowed by a seller; and that are
20 taken by a purchaser on a sale.

21 2. Interest, financing, and carrying charges from credit that is extended on a
22 sale of tangible personal property, specified digital goods, additional digital goods,
23 or services, if the amount of the interest, financing, or carrying charges is separately
24 stated on the invoice, bill of sale, or similar document that the seller gives to the
25 purchaser.

1 3. Any taxes legally imposed directly on the purchaser that are separately
2 stated on the invoice, bill of sale, or similar document that the seller gives to the
3 purchaser.

4 4. Delivery charges for direct mail.

5 5. In all transactions in which an article of tangible personal property is traded
6 toward the purchase of an article of greater value, the amount of the sales price that
7 represents the amount allowed for the article traded, except that this subdivision
8 does not apply to any transaction to which subd. 7. or 8. applies.

9 6. If a person who purchases a motor vehicle presents a statement issued under
10 s. 218.0171 (2) (cq) to the seller at the time of purchase, and the person presents the
11 statement to the seller within 60 days from the date of receiving a refund under s.
12 218.0171 (2) (b) 2. b., the trade-in amount specified in the statement issued under
13 s. 218.0171 (2) (cq), but not to exceed the sales price from the sale of the motor vehicle.
14 This subdivision applies only to the first motor vehicle purchased by a person after
15 receiving a refund under s. 218.0171 (2) (b) 2. b.

16 7. Thirty-five percent of the sales price, excluding trade-ins, of a new mobile
17 home, as defined in s. 340.01 (29), that is a primary housing unit or of a new mobile
18 home, as defined in s. 340.01 (29), that is transported in 2 unattached sections if the
19 total size of the combined sections, not including additions and attachments, is at
20 least 984 square feet measured when the sections are ready for transport. This
21 subdivision does not apply to a lease or rental.

22 8. At the retailer's option; except that after the retailer chooses an option the
23 retailer may not use the other option for other sales without the department's written
24 approval; either 35 percent of the sales price of a manufactured building, as defined
25 in s. 101.71 (6), or an amount equal to the sales price of the manufactured building

1 minus the cost of materials that become an ingredient or component part of the
2 building.

3 (c) "Sales price" includes consideration received by the seller from a 3rd party,
4 if:

5 1. The seller actually receives consideration from a 3rd party, other than the
6 purchaser, and the consideration is directly related to a price reduction or discount
7 on a sale.

8 2. The seller is obliged to pass the price reduction or discount to the purchaser.

9 3. The amount of the consideration that is attributable to the sale is a fixed
10 amount and the seller is able to determine that amount at the time of the sale to the
11 purchaser.

12 4. Any of the following also applies:

13 a. The purchaser presents a coupon, certificate, or other documentation to the
14 seller to claim the price reduction or discount, if the coupon, certificate, or other
15 documentation is authorized, distributed, or granted by the 3rd party with the
16 understanding that the 3rd party will reimburse the seller for the amount of the price
17 reduction or discount.

18 b. The purchaser identifies himself or herself to the seller as a member of a
19 group or organization that may claim the price reduction or discount.

20 c. The seller provides an invoice to the purchaser, or the purchaser presents a
21 coupon, certificate, or other documentation to the seller, that identifies the price
22 reduction or discount as a 3rd-party price reduction or discount.

23 *-0728/6.116* SECTION 2267. 77.51 (17) of the statutes is amended to read:

24 77.51 (17) "Seller" includes every person selling, leasing, or renting tangible
25 personal property, specified digital goods, or additional digital goods or selling,

1 performing, or furnishing services of a kind the ~~gross receipts~~ sales price from the
2 sale, lease, rental, performance, or furnishing of which are is required to be included
3 in the measure of the sales tax.

4 ***-0728/6.117* SECTION 2268.** 77.51 (17m) of the statutes is repealed and
5 recreated to read:

6 **77.51 (17m)** "Service address" means any of the following:

7 (a) The location of the telecommunications equipment to which a customer's
8 telecommunications service is charged and from which the telecommunications
9 service originates or terminates, regardless of where the telecommunications service
10 is billed or paid.

11 (b) If the location described under par. (a) is not known by the seller who sells
12 the telecommunications service, the location where the signal of the
13 telecommunications service originates, as identified by the seller's
14 telecommunications system or, if the signal is not transmitted by the seller's
15 telecommunications system, by information that the seller received from the seller's
16 service provider.

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

19 ***-0728/6.118* SECTION 2269.** 77.51 (17w) of the statutes is created to read:

20 **77.51 (17w)** "Soft drink" means a beverage that contains less than 0.5 percent
21 of alcohol and that contains natural or artificial sweeteners. "Soft drink" does not
22 include a beverage that contains milk or milk products; soy, rice, or similar milk
23 substitutes; or more than 50 percent vegetable or fruit juice by volume.

24 ***-0728/6.119* SECTION 2270.** 77.51 (17x) of the statutes is created to read:

1 77.51 (17x) "Specified digital goods" means digital audio works, digital
2 audiovisual works, and digital books. For purposes of this subchapter, the sale of or
3 the storage, use, or other consumption of a digital code is treated the same as the sale
4 of or the storage, use, or other consumption of any specified digital goods for which
5 the digital code relates.

6 *-0728/6.120* SECTION 2271. 77.51 (18) of the statutes is amended to read:

7 77.51 (18) "Storage" includes any keeping or retention in this state of tangible
8 personal property, specified digital goods, or additional digital goods purchased from
9 a retailer for any purpose except sale in the regular course of business.

10 *-0728/6.121* SECTION 2272. 77.51 (20) of the statutes is amended to read:

11 77.51 (20) "Tangible personal property" means all tangible personal property
12 of every kind and description that can be seen, weighed, measured, felt, or touched,
13 or that is in any other manner perceptible to the senses, and includes electricity,
14 natural gas, steam and, water, and also leased property affixed to realty if the lessor
15 has the right to remove the property upon breach or termination of the lease
16 agreement, unless the lessor of the property is also the lessor of the realty to which
17 the property is affixed. ~~"Tangible personal property" also includes coins and stamps~~
18 ~~of the United States sold or traded as collectors' items above their face value and~~
19 ~~computer programs except custom computer programs~~ prewritten computer
20 software, but does not include specified digital goods.

21 *-0728/6.122* SECTION 2273. 77.51 (21) of the statutes is amended to read:

22 77.51 (21) "Taxpayer" means the person who is required to pay, collect, or
23 account for or who is otherwise directly interested in the taxes imposed by this
24 subchapter, including a certified service provider.

25 *-0728/6.123* SECTION 2274. 77.51 (21m) of the statutes is amended to read:

1 **77.51 (21m)** “Telecommunications Internet access services” means sending
2 messages and information transmitted through the use of local, toll and wide-area
3 telephone service; channel services; telegraph services; teletypewriter; computer
4 exchange services; cellular mobile telecommunications service; specialized mobile
5 radio; stationary two-way radio; paging service; or any other form of mobile and
6 portable one-way or two-way communications; or any other transmission of
7 messages or information by electronic or similar means between or among points by
8 wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities.
9 “Telecommunications services” does not include sending collect telecommunications
10 that are received outside of the state.

11 *-0728/6.124* **SECTION 2275.** 77.51 (21n) of the statutes is created to read:

12 **77.51 (21n)** “Telecommunications services” means electronically transmitting,
13 conveying, or routing voice, data, audio, video, or other information or signals to a
14 point or between or among points. “Telecommunications services” includes the
15 transmission, conveyance, or routing of such information or signals in which
16 computer processing applications are used to act on the content’s form, code, or
17 protocol for transmission, conveyance, or routing purposes, regardless of whether
18 the service is referred to as a voice over Internet protocol service or classified by the
19 federal communications commission as an enhanced or value-added service.
20 “Telecommunications services” does not include any of the following:

21 (a) Data processing and information services that allow data to be generated,
22 acquired, stored, processed, or retrieved and delivered to a purchaser by an electronic
23 transmission, if the purchaser’s primary purpose for the underlying transaction is
24 the processed data.

25 (b) Installing or maintaining wiring or equipment on a customer’s premises.

1 (c) Tangible personal property.

2 (d) Advertising, including directory advertising.

3 (e) Billing and collection services provided to 3rd parties.

4 (f) Telecommunications Internet access service.

5 (g) Radio and television audio and video programming services, regardless of
6 the medium in which the services are provided, including cable service, as defined
7 in 47 USC 522 (6), audio and video programming services delivered by commercial
8 mobile radio service providers, as defined in 47 CFR 20.3, and the transmitting,
9 conveying, or routing of such services by the programming service provider.

10 (h) Ancillary services.

11 (i) Digital products delivered electronically, including software, music, video,
12 reading materials, or ringtones.

13 ***-0728/6.125* SECTION 2276.** 77.51 (21p) of the statutes is created to read:

14 77.51 (21p) "Tobacco" means cigarettes, cigars, chewing tobacco, pipe tobacco,
15 and any other item that contains tobacco.

16 ***-0728/6.126* SECTION 2277.** 77.51 (21q) of the statutes is created to read:

17 77.51 (21q) "Transferred electronically" means accessed or obtained by the
18 purchaser by means other than tangible storage media.

19 ***-0728/6.127* SECTION 2278.** 77.51 (22) (a) of the statutes is amended to read:

20 77.51 (22) (a) "Use" includes the exercise of any right or power over tangible
21 personal property, specified digital goods, additional digital goods, or taxable
22 services incident to the ownership, possession or enjoyment of the property, goods,
23 or services, or the results produced by the services, including installation or
24 affixation to real property and including the possession of, or the exercise of any right
25 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).

3 ***-0728/6.128* SECTION 2279.** 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.

11 ***-0728/6.129* SECTION 2280.** 77.51 (22) (bm) of the statutes is created to read:

12 77.51 (22) (bm) In this subsection, “exercise of any right or power over tangible
13 personal property, specified digital goods, additional digital goods, or taxable
14 services” includes distributing, selecting recipients, determining mailing schedules,
15 or otherwise directing the distribution, dissemination, or disposal of tangible
16 personal property, specified digital goods, additional digital goods, or taxable
17 services, regardless of whether the purchaser of such property, goods or services
18 owns or physically possesses, in this state, the property, goods, or services.

19 ***-0728/6.130* SECTION 2281.** 77.51 (24) of the statutes is created to read:

20 77.51 (24) “Value-added non-voice data service” means a service in which
21 computer processing applications are used to act on the form, content, code, or
22 protocol of the data provided by the service and are used primarily for a purpose other
23 than for transmitting, conveying, or routing data.

24 ***-0728/6.131* SECTION 2282.** 77.51 (25) of the statutes is created to read:

1 77.51 (25) "Vertical service" means an ancillary service that is provided with
2 one or more telecommunications services and allows customers to identify callers
3 and to manage multiple calls and call connections, including conference bridging
4 services.

5 ***-0728/6.132* SECTION 2283.** 77.51 (26) of the statutes is created to read:

6 77.51 (26) "Voice mail service" means an ancillary service that allows a
7 customer to store, send, or receive recorded messages, not including any vertical
8 service that the customer must have to use the voice mail service.

9 ***-0728/6.133* SECTION 2284.** 77.52 (1) of the statutes is renumbered 77.52 (1)
10 (a) and amended to read:

11 77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible
12 personal property, including accessories, components, attachments, parts, supplies
13 and materials, at retail a tax is imposed upon all retailers at the rate of 5% of the
14 gross receipts sales price from the sale, license, lease or rental of tangible personal
15 property, including accessories, components, attachments, parts, supplies and
16 materials, sold, leased or rented at retail in this state, as determined under s. 77.522.

17 ***-0728/6.134* SECTION 2285.** 77.52 (1) (b) of the statutes is created to read:

18 77.52 (1) (b) For the privilege of selling at retail coins and stamps of the United
19 States that are sold or traded as collectors' items above their face value, a tax is
20 imposed on all retailers at the rate of 5 percent of the sales price from the sale of such
21 coins and stamps.

22 ***-0728/6.135* SECTION 2286.** 77.52 (1) (c) of the statutes is created to read:

23 77.52 (1) (c) For the privilege of leasing property that is affixed to real property,
24 a tax is imposed on all retailers at the rate of 5 percent of the sales price from the lease
25 of such property, if the lessor has the right to remove the leased property upon breach

1 or termination of the lease agreement, unless the lessor of the leased property is also
2 the lessor of the real property to which the leased property is affixed.

3 ***-0728/6.136* SECTION 2287.** 77.52 (1) (d) of the statutes is created to read:

4 77.52 (1) (d) For the privilege of selling, licensing, leasing, or renting specified
5 digital goods or additional digital goods at retail, regardless of whether the
6 purchaser has the right to permanently use such goods or whether the purchaser's
7 right to access or retain such goods is not permanent, a tax is imposed upon all
8 retailers at the rate of 5 percent of the sales price from the sale, license, lease or rental
9 of such goods.

10 ***-0728/6.137* SECTION 2288.** 77.52 (2) (intro.) of the statutes is amended to
11 read:

12 77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing
13 the services described under par. (a) at retail in this state, as determined under s.
14 77.522, to consumers or users, a tax is imposed upon all persons selling, licensing,
15 performing or furnishing the services at the rate of 5% of the gross receipts sales price
16 from the sale, license, performance or furnishing of the services.

17 ***-0728/6.138* SECTION 2289.** 77.52 (2) (a) 5. a. of the statutes is renumbered
18 77.52 (2) (a) 5. (intro.) and amended to read:

19 77.52 (2) (a) 5. (intro) The sale of all of the following:
20 am. Intrastate, interstate, and international telecommunications services,
21 except services subject to 4 USC 116 to 126, as amended by P.L. 106-252, that either
22 originate or terminate in this state; ~~except services that are obtained by means of a~~
23 ~~toll-free number, that originate outside this state and that terminate in this state;~~
24 ~~and are charged to a service address in this state, regardless of the location where~~
25 ~~that charge is billed or paid; and the sale of the rights to purchase~~

1 ~~telecommunications services, including purchasing reauthorization numbers, by~~
2 ~~paying in advance and by using an access number and authorization code, except~~
3 ~~sales that are subject to subd. 5. b interstate 800 services.~~

4 ***-0728/6.139*** SECTION 2290. 77.52 (2) (a) 5. b. of the statutes is repealed.

5 ***-0728/6.140*** SECTION 2291. 77.52 (2) (a) 5. bm. of the statutes is created to
6 read:

7 77.52 (2) (a) 5. bm. Telecommunications Internet access services.

8 ***-0728/6.141*** SECTION 2292. 77.52 (2) (a) 5. c. of the statutes is created to read:

9 77.52 (2) (a) 5. c. Ancillary services, except detailed telecommunications billing
10 services.

11 ***-0728/6.142*** SECTION 2293. 77.52 (2) (a) 5m. of the statutes is amended to
12 read:

13 77.52 (2) (a) 5m. The sale of services that consist of recording
14 telecommunications messages and transmitting them to the purchaser of the service
15 or at that purchaser's direction, but not including those services if they are merely
16 an that are taxable under subd. 5. or services that are incidental, as defined in s.
17 77.51 (5), element of to another service that is not taxable under this subchapter and
18 sold to that the purchaser of the incidental service and is not taxable under this
19 subchapter.

20 ***-0728/6.143*** SECTION 2294. 77.52 (2) (a) 10. of the statutes is amended to
21 read:

22 77.52 (2) (a) 10. Except for services provided by veterinarians and except for
23 installing or applying tangible personal property that, subject to par. (ag), when
24 installed or applied, will constitute an addition or capital improvement of real
25 property, the repair, service, alteration, fitting, cleaning, painting, coating, towing,

1 inspection, and maintenance of all items of tangible personal property, specified
2 digital goods, and additional digital goods, unless, at the time of that the repair,
3 service, alteration, fitting, cleaning, painting, coating, towing, inspection, or
4 maintenance, a sale in this state of the type of property repaired, serviced, altered,
5 fitted, cleaned, painted, coated, towed, inspected, or maintained would have been
6 exempt to the customer from sales taxation under this subchapter, other than the
7 exempt sale of a motor vehicle or truck body to a nonresident under s. 77.54 (5) (a)
8 and other than nontaxable sales under s. 77.51 (14r) juvenile 77.522 or unless the
9 repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or
10 maintenance is provided under a contract that is subject to tax under subd. 13m. The
11 tax imposed under this subsection applies to the repair, service, alteration, fitting,
12 cleaning, painting, coating, towing, inspection, or maintenance of items listed in par.
13 (ag), regardless of whether the installation or application of tangible personal
14 property, specified digital goods, or additional digital goods related to the items is an
15 addition to or a capital improvement of real property, except that the tax imposed
16 under this subsection does not apply to the original installation or the complete
17 replacement of an item listed in par. (ag), if that the installation or replacement is
18 a real property construction activity under s. 77.51 (2).

19 *-1823/2.2* SECTION 2295. 77.52 (2) (a) 11. of the statutes is amended to read:

20 77.52 (2) (a) 11. The producing, fabricating, processing, printing or imprinting
21 of tangible personal property for a consideration for consumers who furnish directly
22 or indirectly the materials used in the producing, fabricating, processing, printing
23 or imprinting. This subdivision does not apply to the printing or imprinting of
24 tangible personal property ~~which will be subsequently transported outside the state~~
25 ~~for use outside the state by the consumer for advertising purposes~~ that results in

1 printed material, catalogs, or envelopes that are exempt under s. 77.54 (25) and
2 (25m).

3 ***-0728/6.144* SECTION 2296.** 77.52 (2) (a) 13m. of the statutes is created to
4 read:

5 77.52 (2) (a) 13m. The sale of contracts, including service contracts,
6 maintenance agreements, and warranties, that provide, in whole or in part, for the
7 future performance of or payment for the repair, service, alteration, fitting, cleaning,
8 painting, coating, towing, inspection, or maintenance of tangible personal property,
9 unless the sale, lease, or rental in this state of the property to which the contract
10 relates is or was exempt, to the purchaser of the contract, from taxation under this
11 subchapter.

12 ***-0728/6.145* SECTION 2297.** 77.52 (2m) (a) of the statutes is amended to read:
13 77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part
14 of the charge for the service may be deemed a sale or rental of tangible personal
15 property, specified digital goods, or additional digital goods, if the property or digital
16 goods transferred by the service provider is are incidental to the selling, performing
17 or furnishing of the service, except as provided in par. (b).

18 ***-0728/6.146* SECTION 2298.** 77.52 (2m) (b) of the statutes is amended to read:
19 77.52 (2m) (b) With respect to the services subject to tax under sub. (2) (a) 7.,
20 10., 11. and 20., all property, specified digital goods, or digital additional goods,
21 physically transferred, or transferred electronically, to the customer in conjunction
22 with the selling, performing or furnishing of the service is a sale of tangible personal
23 property, specified digital goods, or additional digital goods separate from the selling,
24 performing or furnishing of the service.

25 ***-0728/6.147* SECTION 2299.** 77.52 (3m) of the statutes is repealed.