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1 tax owed with regard to the reportable transaction, an amount equal to either 20
2 percent of the reportable transaction understatement or, in the case of a reportable
3 transaction that is not disclosed as provided in sub. (2), 30 percent of the reportable
4 transaction understatement.

5 (b) A taxpayer has a reportable transaction understatement if the following
6 calculation results in a positive number:

7 1. Multiply the taxpayer's highest applicable tax rate under s. 71.06, 71.27, or
8 71.46, by the amount of any increase in Wisconsin taxable income that results from
9 the difference between the proper tax treatment of a reportable transaction and the
10 taxpayer's treatment of the transaction as shown on the taxpayer's tax return,
11 including any amended return the taxpayer files before the date on which the
12 department first contacts the taxpayer regarding an examination of the taxable year
13 for which the amended return is filed. For purposes of this subdivision, the amount
14 of any increase in Wisconsin taxable income for a taxable year includes any reduction
15 in the amount of loss available for carry-forward to the subsequent year.

16 2. Add the amount determined under subd. 1. to the amount of any decrease
17 in the aggregate amount of Wisconsin income or franchise tax credits that results
18 from the difference between the proper tax treatment of a reportable transaction and
19 the taxpayer's treatment of the transaction as shown on the taxpayer's tax return.

20 (c) The secretary of revenue may waive or abate any penalty imposed under this
21 subsection, or any portion of such penalty, if the taxpayer demonstrates to the
22 department that the taxpayer had reasonable cause to act the way the taxpayer did,
23 and in good faith, with regard to the tax treatment for which the taxpayer is subject
24 to a penalty under this subsection and all facts relevant to the tax treatment are
25 adequately disclosed in the filing under sub. (2), except that, if the taxpayer does not

1 fully disclose such facts under sub. (2), the taxpayer's penalty may be waived or
2 abated under this paragraph if the taxpayer demonstrates to the department that
3 the taxpayer reasonably believed that the tax treatment for which the taxpayer is
4 subject to a penalty under this subsection was more likely than not the proper
5 treatment and substantial authority exists or existed for the tax treatment for which
6 the taxpayer is subject to a penalty under this subsection.

7 (d) The penalties under par. (a) apply to any reportable transaction
8 understatement from a reportable transaction, including a listed transaction,
9 entered into on or after January 1, 2002, for any taxable year for which the statute
10 of limitations on assessment, including any extension provided under sub. (6), has
11 not expired as of the effective date of this paragraph [revisor inserts date].

12 (5) ADDITIONAL UNDERSTATEMENT PENALTY. (a) 1. A taxpayer who files an
13 amended return after December 31, 2007, and before the taxpayer is contacted by the
14 internal revenue service or the department regarding a reportable transaction is
15 subject to a penalty in an amount equal to 50 percent of the interest assessed under
16 s. 71.82 on any reportable transaction understatement, as determined under sub. (4)
17 (b), for the tax period for which the taxpayer files an amended return.

18 2. If the internal revenue service or the department contacts a taxpayer after
19 December 31, 2007, regarding a reportable transaction and the taxpayer is contacted
20 before the taxpayer files an amended return with respect to that transaction, the
21 taxpayer is subject to a penalty in an amount equal to the interest assessed under
22 s. 71.82 on any reportable transaction understatement, as determined under sub. (4)
23 (b), for the tax period for which the internal revenue service or the department
24 contacts the taxpayer.

1 (b) The penalties under par. (a) apply to any reportable transaction
2 understatement resulting from a reportable transaction, including a listed
3 transaction, entered into on or after January 1, 2002, for any taxable year for which
4 the statute of limitations on assessment, including any extension provided under
5 sub. (6), has not expired as of the effective date of this paragraph [revisor inserts
6 date].

7 (c) The secretary of revenue may waive or abate any penalty imposed under this
8 subsection, or any portion of such penalty, if the taxpayer demonstrates to the
9 department that the taxpayer had reasonable cause to act the way the taxpayer did,
10 and in good faith, with regard to the tax treatment for which the taxpayer is subject
11 to a penalty under this subsection and all facts relevant to the tax treatment are
12 adequately disclosed in the filing under sub. (2), except that, if the taxpayer does not
13 fully disclose such facts under sub. (2), the taxpayer's penalty may be waived or
14 abated under this paragraph if the taxpayer demonstrates to the department that
15 the taxpayer reasonably believed that the tax treatment for which the taxpayer is
16 subject to a penalty under this subsection was more likely than not the proper
17 treatment and substantial authority exists or existed for the tax treatment for which
18 the taxpayer is subject to a penalty under this subsection.

19 (6) STATUTE OF LIMITATIONS EXTENSION. (a) Except as provided in par. (b), if a
20 taxpayer fails to provide any information regarding a reportable transaction, other
21 than a listed transaction, under sub. (2), the time for assessing any tax imposed
22 under this chapter with respect to that transaction shall expire no later than the date
23 that is 6 years after the date on which the return for the taxable year in which the
24 reportable transaction occurred was filed. If a taxpayer fails to provide any
25 information regarding a listed transaction, under sub. (2), the time for assessing any

1 tax imposed under this chapter with respect to that transaction shall expire on the
2 latest of the following dates:

3 1. The date that is 6 years after the date on which the return for the taxable
4 year in which the listed transaction occurred was filed.

5 2. The date that is 12 months after the date on which the taxpayer provides
6 information regarding the listed transaction under sub. (2).

7 3. The date that is 12 months after the date on which the taxpayer's material
8 advisor provides, at the department's request, the list described in sub. (7) (b).

9 4. The date that is 4 years after the date on which the department discovers
10 a listed transaction that was a listed transaction on the date the transaction occurred
11 for which the taxpayer did not provide the information described under sub. (2) or
12 for which the taxpayer's material advisor did not provide the information described
13 under sub (7) (b).

14 (b) Any limitation determined under par. (a) may be extended by a written
15 agreement between the taxpayer and the department as provided under s. 71.77 (5).

16 **(7) MATERIAL ADVISOR.** (a) Each material advisor who is required to disclose a
17 reportable transaction under section 6111 of the Internal Revenue Code shall file a
18 copy of the disclosure with the department no later than 60 days after the date for
19 which the material advisor is required to file the disclosure with the internal revenue
20 service, except that, if a material advisor files the disclosure with the internal
21 revenue service on or before the effective date of this paragraph ... [revisor inserts
22 date], the material advisor shall file a copy of the disclosure with the department no
23 later than December 31, 2007.

24 (b) Each material advisor shall maintain a list that identifies each Wisconsin
25 taxpayer for whom the person provided services as a material advisor with respect

1 to a reportable transaction, regardless of whether the taxpayer is required to file the
2 form under sub. (2). Any material advisor who is required to maintain a list under
3 this paragraph shall provide the list to the department after receiving the
4 department's written request to provide the list and shall retain the information
5 contained in the list for 7 years or for the period determined by the department by
6 rule. If 2 or more material advisors are required under this paragraph to maintain
7 identical lists, the department may provide that only one of the material advisors
8 maintain the list.

9 (c) This subsection applies to reportable transactions, not including listed
10 transactions, for which a material advisor provides services after the effective date
11 of this paragraph ... [revisor inserts date], and listed transactions for which a
12 material advisor provides services, and were entered into, on or after January 1,
13 2002, regardless of when the transactions became listed transactions.

14 **(8) MATERIAL ADVISOR PENALTIES.** (a) If a person who is required to file a
15 disclosure with the department as provided under sub. (7) (a) fails to file the
16 disclosure or files a disclosure containing false or incomplete information, the person
17 is subject to a penalty equal to the following amounts:

18 1. If the disclosure relates to a reportable transaction that is not a listed
19 transaction, \$15,000.

20 2. If the disclosure relates to a listed transaction, \$100,000.

21 (b) Any person who is required to maintain a list under sub. (7) (b) and who fails
22 to provide the list to the department no later than 20 business days after the date on
23 which the person receives the department's request to provide the list, as provided
24 under sub. (7) (b), shall pay a penalty to the department in an amount that is equal
25 to \$10,000 for each day that the person does not provide the list, beginning with the

1 day that is 21 business days after the date on which the person receives the
2 department's request.

3 (c) The secretary of revenue may waive or abate any penalty imposed under this
4 subsection, or any portion of such penalty, related to a reportable transaction that
5 is not a listed transaction, if the waiver or abatement promotes compliance with this
6 section and effective tax administration or, with regard to the penalty imposed under
7 par. (b), if, on each day after the time for providing the list without incurring a
8 penalty has expired, the person demonstrates to the department that the person's
9 failure to provide the list on that day is because of reasonable cause.

10 (9) TAX SHELTER PROMOTION. (a) Beginning on the effective date of this
11 paragraph [revisor inserts date], any person who organizes or assists in
12 organizing a tax shelter, or directly or indirectly participates in the sale of any
13 interest in a tax shelter, and who makes or provides or causes another person to make
14 or provide, in connection with such organization or sale, a statement that the person
15 knows or has reason to know is false or fraudulent as to any material matter
16 regarding the allowability of any tax deduction or credit, the excludability of any
17 income, the manipulation of any allocation or apportionment rule, or the securing of
18 any other tax benefit resulting from holding an interest in the entity or participating
19 in the plan or arrangement, shall pay a penalty to the department, with respect to
20 each sale or act of organization described under this paragraph, in an amount equal
21 to 50 percent of the person's gross income derived from the sale or act.

22 (b) For purposes of administering this chapter, beginning on the effective date
23 of this paragraph [revisor inserts date], a written communication between a tax
24 practitioner and any person, director, officer, employee, agent, or representative of
25 the person, or any other person holding a capital or profits interest in the person,

1 regarding the promotion of the person's direct or indirect participation in any tax
2 shelter is not considered a confidential or privileged communication.

3 (11) INJUNCTION. The department may commence an action in the circuit court
4 of Dane County to enjoin a person from taking any action, or failing to take any
5 action, that is subject to a penalty under this section or in violation of this section or
6 any rules that the department promulgates pursuant to this section.

7 SECTION 2139. 71.83 (1) (a) 1. of the statutes is amended to read:

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

19 SECTION 2140. 71.90 (2) of the statutes is amended to read:

20 71.90 (2) ~~DEPOSIT WITH THE SECRETARY OF ADMINISTRATION DEPARTMENT~~ At any
21 time while the petition is pending before the tax appeals commission or an appeal
22 in regard to that petition is pending in a court, the taxpayer may offer to deposit the
23 entire amount of the additional taxes, penalties, and fines, together with interest,
24 with the secretary of administration. ~~If an offer to deposit is made, the department~~
25 ~~of revenue shall issue a certificate to the secretary of administration authorizing the~~

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

17 **SECTION 2141.** 71.93 (1) (a) 2. of the statutes is amended to read:

18 71.93 (1) (a) 2. A delinquent child support or spousal support obligation that
19 has been reduced to a judgment and has been submitted by an agency of another
20 state to the department of workforce development children and families for
21 certification under this section.

22 **SECTION 2142.** 71.93 (1) (a) 4. of the statutes is amended to read:

23 71.93 (1) (a) 4. An amount that the department of workforce development
24 children and families may recover under s. 49.161 or 49.195 (3) or collect under s.

1 49.147 (6) (cm), if the department of ~~workforce development~~ children and families
2 has certified the amount under s. 49.85.

3 **SECTION 2143.** 73.01 (4) (b) of the statutes is amended to read:

4 73.01 (4) (b) Any matter required to be heard by the commission may be heard
5 by any member of the commission or its a hearing examiner and reported to the
6 commission, and hearings of matters pending before it shall be assigned to members
7 of the commission or ~~its~~ the hearing examiner by the chairperson. Cases other than
8 small claims cases shall be decided by the full commission, except that if one or more
9 members of the commission are unavailable, cases other than small claims cases
10 shall be decided by the member or members assigned by the chairperson prior to the
11 hearing. If the parties have agreed to an oral decision, the member or members
12 conducting the hearing may render an oral decision. Hearings shall be open to the
13 public and all proceedings shall be conducted in accordance with rules of practice and
14 procedure prescribed by the commission. Small claims cases shall be decided by one
15 commissioner assigned by the chairperson prior to the hearing.

16 **SECTION 2144.** 73.01 (4m) (b) of the statutes is amended to read:

17 73.01 (4m) (b) No member of the commission, including the chairperson, or ~~its~~
18 a hearing examiner may receive any salary unless he or she first executes an
19 affidavit at the end of each salary period stating that he or she has complied with the
20 deadlines in par. (a). The affidavit shall be presented to and filed with every official
21 who certifies, in whole or in part, the salary.

22 **SECTION 2145.** 73.01 (4m) (c) of the statutes is amended to read:

23 73.01 (4m) (c) If a member of the commission, including the chairperson, or ~~its~~
24 a hearing examiner is unable to comply with the deadline under par. (a), that person

1 shall so certify in the record, and the period is then extended for one additional period
2 not to exceed 90 days.

3 **SECTION 2146.** 73.03 (2a) of the statutes is amended to read:

4 **73.03 (2a)** ~~To prepare, have published and distribute to each property tax~~
5 ~~assessor and to others who so request and publish, in electronic form and on the~~
6 Internet, assessment manuals. The manual shall discuss and illustrate accepted
7 assessment methods, techniques and practices with a view to more nearly uniform
8 and more consistent assessments of property at the local level. The manual shall be
9 amended by the department from time to time to reflect advances in the science of
10 assessment, court decisions concerning assessment practices, costs, and statistical
11 and other information considered valuable to local assessors by the department. The
12 manual shall incorporate standards for the assessment of all types of renewable
13 energy resource systems used in this state as soon as such systems are used in
14 sufficient numbers and sufficient data exists to allow the formulation of valid
15 guidelines. The manual shall incorporate standards, which the department of
16 revenue and the state historical society of Wisconsin shall develop, for the
17 assessment of nonhistoric property in historic districts and for the assessment of
18 historic property, including but not limited to property that is being preserved or
19 restored; property that is subject to a protective easement, covenant or other
20 restriction for historic preservation purposes; property that is listed in the national
21 register of historic places in Wisconsin or in this state's register of historic places and
22 property that is designated as a historic landmark and is subject to restrictions
23 imposed by a municipality or by a landmarks commission. The manual shall
24 incorporate general guidelines about ways to determine whether property is taxable
25 in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in specific

1 situations. The manual shall state that assessors are required to comply with s. 70.32
2 (1g) and shall suggest procedures for doing so. The manual or a supplement to it shall
3 specify per acre value guidelines for each municipality for various categories of
4 agricultural land based on the income that could be generated from its estimated
5 rental for agricultural use, as defined by rule, and capitalization rates established
6 by rule. The manual shall include guidelines for classifying land as agricultural
7 land, as defined in s. 70.32 (2) (c) 1g., and guidelines for distinguishing between land
8 and improvements to land. The cost of the development, preparation, and Internet
9 publication and distribution of the manual and of revisions and amendments to it
10 shall be borne by the assessors and requesters at an individual volume cost or a
11 subscription cost as determined by the department. All receipts shall be credited to
12 paid from the appropriation under s. 20.566 (2) (hi). The department may provide
13 free assessment manuals to other state agencies or exchange them at no cost with
14 agencies of other states or of the federal government for similar information or
15 publications (b).

16 **SECTION 2147.** 73.03 (28e) of the statutes is created to read:

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

25 **SECTION 2148.** 73.03 (50) (c) of the statutes is amended to read:

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1 73.03 (50) (c) In the case of an applicant who is an individual and who has a
2 social security number, sets forth the social security number of the applicant or, in
3 the case of an applicant who is an individual and who does not have a social security
4 number, submits a statement made or subscribed under oath or affirmation that the
5 applicant does not have a social security number. The form of the statement shall
6 be prescribed by the department of ~~workforce development~~ children and families. A
7 certificate issued in reliance upon a false statement submitted under this paragraph
8 is invalid.

9 **SECTION 2149.** 73.03 (50) (d) of the statutes is amended to read:

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

18 **SECTION 2150.** 73.03 (50b) of the statutes is created to read:

19 73.03 (50b) To waive the fee established under sub. (50) for applying for and
20 renewing the business tax registration certificate, if the person who is applying for
21 or renewing the certificate is not required for purposes of ch. 77 to hold such a
22 certificate.

23 **SECTION 2151.** 73.03 (50m) of the statutes is amended to read:

24 73.03 (50m) To enter into a memorandum of understanding with the
25 department of ~~workforce development~~ children and families under s. 49.857. The

1 department of revenue shall suspend, refuse to issue or refuse to renew any
2 certificate issued under sub. (50) as provided in the memorandum of understanding
3 entered into under s. 49.857. Notwithstanding ss. 71.78 and 77.61 (5), the
4 department of revenue shall disclose to the department of workforce development
5 children and families the social security number of any applicant for a certificate
6 issued under sub. (50) as provided in the memorandum of understanding.

7 **SECTION 2152.** 73.03 (52n) of the statutes is created to read:

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

13 **SECTION 2153.** 73.03 (61) of the statutes is created to read:

14 **73.03 (61)** To do all of the following related to the Uniform Sales and Use Tax
15 Administration Act:

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

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

20 (c) Consistent with the agreement, as defined in s. 77.65 (2) (a), establish
21 performance standards and eligibility criteria for a seller that sells tangible personal
22 property or taxable services in at least 5 states that are signatories to the agreement,
23 as defined in s. 77.65 (2) (a); that has total annual sales revenue of at least
24 \$500,000,000; that has a proprietary system that calculates the amount of tax owed
25 to each taxing jurisdiction in which the seller sells tangible personal property or

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1 taxable services; and that has entered into a performance agreement with the states
2 that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of
3 this paragraph, "seller" includes an affiliated group of sellers using the same
4 proprietary system to calculate the amount of tax owed in each taxing jurisdiction
5 in which the sellers sell tangible personal property or taxable services.

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

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

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

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

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

1 **SECTION 2154.** 73.03 (63) of the statutes is created to read:

2 73.03 (63) Notwithstanding the amount limitations specified under ss. 71.07
3 (5b) (c) 1. and (5d) (c) 1., 71.28 (5b) (c) 1., 71.47 (5b) (c) 1., and 560.205 (3) (d), in
4 consultation with the department of commerce, to carry forward to subsequent
5 taxable years unclaimed credit amounts of the early stage seed investment credits
6 under ss. 71.07 (5b), 71.28 (5b), and 71.47 (5b) and the angel investment credit under
7 s. 71.07 (5d). Annually, no later than July 1, the department of commerce shall
8 submit to the department of revenue its recommendations for the carry forward of
9 credit amounts as provided under this subsection.

10 **SECTION 2155.** 73.0301 (1) (d) 2. of the statutes is amended to read:

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

15 **SECTION 2156.** 73.0301 (1) (e) of the statutes is amended to read:

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

23 **SECTION 2157.** 73.0301 (2) (c) 1. am. of the 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 **SECTION 2158.** 73.0301 (2) (c) 2. of the statutes is amended to read:

6 73.0301 (2) (c) 2. A licensing department may not disclose any information
7 received under subd. 1. a. or b. to any person except to the department of revenue for
8 the purpose of requesting certifications under par. (b) 2. in accordance with the
9 memorandum of understanding under sub. (4) and administering state taxes or to
10 the department of ~~workforce development~~ children and families for the purpose of
11 administering s. 49.22.

12 **SECTION 2159.** 74.09 (3) (b) 6m. of the statutes is created to read:

13 74.09 (3) (b) 6m. The amount of the credit under s. 79.10 (5m) allocable to the
14 property for the previous year and the current year, and the percentage change
15 between those years.

16 **SECTION 2160.** 74.09 (3) (b) 7. of the statutes is amended to read:

17 74.09 (3) (b) 7. The amount obtained by subtracting the ~~amount~~ amounts under
18 ~~subd. subds. 6. and 6m.~~ from the amount under subd. 5., for the previous year and
19 the current year, and the percentage change in that amount between those years.

20 **SECTION 2161.** 76.07 (4g) (b) 8. of the statutes is amended to read:

21 76.07 (4g) (b) 8. Determine transport-related revenue by adding public service
22 revenue allocated to this state on the basis of routes for which the company is
23 authorized to receive subsidy payments, mutual aid allocated to this state on the
24 basis of the ratio of transport revenues allocated to this state to transport revenues
25 everywhere in the previous year, in-flight sales allocated to this state as they are

1 allocated under s. ~~77.51 (14r)~~ 77.522 and all other transport-related revenues from
2 sales made in this state.

3 **SECTION 2162.** 76.636 (1) (e) of the statutes is amended to read:

4 76.636 (1) (e) "Member of a targeted group" means a person who resides in an
5 area designated by the federal government as an economic revitalization area, a
6 person who is employed in an unsubsidized job but meets the eligibility requirements
7 under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who
8 is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work, real pay
9 project position under s. 49.147 (3m), a person who is eligible for child care assistance
10 under s. 49.155, a person who is a vocational rehabilitation referral, an economically
11 disadvantaged youth, an economically disadvantaged veteran, a supplemental
12 security income recipient, a general assistance recipient, an economically
13 disadvantaged ex-convict, a qualified summer youth employee, as defined in 26 USC
14 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or a food stamp
15 recipient, if the person has been certified in the manner under s. 71.47 (1dj) (am) 3.
16 by a designated local agency, as defined in s. 71.47 (1dj) (am) 2.

17 **SECTION 2163.** 76.636 (2) (b) of the statutes is amended to read:

18 76.636 (2) (b) The amount determined by multiplying the amount determined
19 under s. 560.785 (1) (b) by the number of full-time jobs created in a development zone
20 and filled by a member of a targeted group and by then subtracting the subsidies paid
21 under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m)
22 (c) for those jobs.

23 **SECTION 2164.** 76.636 (2) (c) of the statutes is amended to read:

24 76.636 (2) (c) The amount determined by multiplying the amount determined
25 under s. 560.785 (1) (c) by the number of full-time jobs created in a development zone

1 and not filled by a member of a targeted group and by then subtracting the subsidies
2 paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147
3 (3m) (c) for those jobs.

4 **SECTION 2165.** 76.636 (2) (d) of the statutes is amended to read:

5 76.636 (2) (d) The amount determined by multiplying the amount determined
6 under s. 560.785 (1) (bm) by the number of full-time jobs retained, as provided in the
7 rules under s. 560.785, excluding jobs for which a credit has been claimed under s.
8 71.47 (1dj), in an enterprise development zone under s. 560.797 and for which
9 significant capital investment was made and by then subtracting the subsidies paid
10 under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m)
11 (c) for those jobs.

12 **SECTION 2166.** 76.636 (2) (e) of the statutes is amended to read:

13 76.636 (2) (e) The amount determined by multiplying the amount determined
14 under s. 560.785 (1) (c) by the number of full-time jobs retained, as provided in the
15 rules under s. 560.785, excluding jobs for which a credit has been claimed under s.
16 71.47 (1dj), in a development zone and not filled by a member of a targeted group and
17 by then subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and
18 reimbursements paid under s. 49.147 (3m) (c) for those jobs.

19 **SECTION 2167.** Chapter 77 (title) of the statutes is amended to read:

20 **CHAPTER 77**

21 **TAXATION OF FOREST CROPLANDS;**

22 **REAL ESTATE TRANSFER FEES;**

23 **SALES AND USE TAXES; COUNTY**

24 **AND SPECIAL DISTRICT SALES**

25 **AND USE TAXES; MANAGED FOREST**

1 **LAND; TEMPORARY RECYCLING**

2 **SURCHARGE; LOCAL FOOD AND**

3 **BEVERAGE TAX; LOCAL RENTAL**

4 **CAR TAX; PREMIER RESORT AREA**

5 **TAXES; STATE RENTAL VEHICLE FEE;**

6 **DRY CLEANING FEES; REGIONAL**

7 **TRANSIT AUTHORITY FEE;**

8 **OIL COMPANY ASSESSMENT**

9 **SECTION 2168.** 77.22 (1) of the statutes is amended to read:

10 77.22 (1) There is imposed on the grantor of real estate a real estate transfer
11 fee at the rate of ~~30~~ 60 cents for each \$100 of value or fraction thereof on every
12 conveyance not exempted or excluded under this subchapter. In regard to land
13 contracts the value is the total principal amount that the buyer agrees to pay the
14 seller for the real estate. This fee shall be collected by the register at the time the
15 instrument of conveyance is submitted for recording. Except as provided in s. 77.255,
16 at the time of submission the grantee or his or her duly authorized agent or other
17 person acquiring an ownership interest under the instrument, or the clerk of court
18 in the case of a foreclosure under s. 846.16 (1), shall execute a return, signed by both
19 grantor and grantee, on the form prescribed under sub. (2). The register shall enter
20 the fee paid on the face of the deed or other instrument of conveyance before
21 recording, and, except as provided in s. 77.255, submission of a completed real estate
22 transfer return and collection by the register of the fee shall be prerequisites to
23 acceptance of the conveyance for recording. The register shall have no duty to
24 determine either the correct value of the real estate transferred or the validity of any
25 exemption or exclusion claimed. If the transfer is not subject to a fee as provided in

1 this subchapter, the reason for exemption shall be stated on the face of the
2 conveyance to be recorded by reference to the proper subsection under s. 77.25.

3 **SECTION 2169.** 77.24 of the statutes is amended to read:

4 **77.24 Division of fee.** Twenty Ten percent of all fees collected under this
5 subchapter shall be retained by the county and the balance shall be transmitted to
6 the state. Remittances shall be made monthly by the county treasurers to the
7 department of revenue by the 15th day of the month following the close of the month
8 in which the fee was collected. The remittance to the department shall be
9 accompanied by the returns executed under s. 77.22. The state shall deposit all
10 moneys received under this section into the county aid fund.

11 **SECTION 2170.** 77.51 (1) of the statutes is renumbered 77.51 (1fd) and amended
12 to read:

13 **77.51 (1fd)** "Business" includes any activity engaged in by any person or caused
14 to be engaged in by any person with the object of gain, benefit or advantage, either
15 direct or indirect, and includes also the furnishing and distributing of tangible
16 personal property, specified digital goods, additional digital goods, or taxable
17 services for a consideration by social clubs and fraternal organizations to their
18 members or others.

19 **SECTION 2171.** 77.51 (1a) of the statutes is created to read:

20 **77.51 (1a)** "Additional digital goods" means video greeting cards sent by
21 electronic mail, finished artwork, periodicals, and video or electronic games. For
22 purposes of this subchapter, the sale of or the storage, use, or other consumption of
23 a digital code is treated the same as the sale of or the storage, use, or other
24 consumption of any additional digital goods for which the digital code relates.

25 **SECTION 2172.** 77.51 (1b) of the statutes is created to read:

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

3 **SECTION 2173.** 77.51 (1ba) of the statutes is created to read:

4 77.51 (1ba) "Ancillary services" means services that are associated with or
5 incidental to providing telecommunications services, including detailed
6 telecommunications billing, directory assistance, vertical service, and voice mail
7 services, but not including specified digital goods.

8 **SECTION 2174.** 77.51 (1d) of the statutes is created to read:

9 77.51 (1d) "Biotechnologies" include recombinant deoxyribonucleic acid
10 techniques, biochemistry, molecular and cellular biology, genetics, genetic
11 engineering, biological cell fusion, and other bioprocesses.

12 **SECTION 2175.** 77.51 (1e) of the statutes is created to read:

13 77.51 (1e) "Biotechnology business" means a business, as certified by the
14 department in the manner prescribed by the department, that is primarily engaged
15 in the application of biotechnologies that use a living organism or parts of an
16 organism to produce or modify products to improve plants or animals, develop
17 microorganisms for specific uses, identify targets for small molecule pharmaceutical
18 development, or transform biological systems into useful processes and products.

19 **SECTION 2176.** 77.51 (1f) of the statutes is created to read:

20 77.51 (1f) "Bundled transaction" means the retail sale of 2 or more products,
21 not including real property and services to real property, if the products are distinct
22 and identifiable products and sold for one nonitemized price. "Bundled transaction"
23 does not include any of the following:

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

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

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

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

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

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

25 **SECTION 2177.** 77.51 (1fm) of the statutes is created to read:

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

5 **SECTION 2178.** 77.51 (1j) of the statutes is created to read:

6 77.51 (1j) "Catalog" means a printed and bound, stitched, sewed, or stapled
7 book containing a list and description of property or services for sale, regardless of
8 whether a price is specified.

9 **SECTION 2179.** 77.51 (1n) of the statutes is created to read:

10 77.51 (1n) "Computer" means an electronic device that accepts information in
11 digital or similar form and that manipulates such information to achieve a result
12 based on a sequence of instructions.

13 **SECTION 2180.** 77.51 (1p) of the statutes is created to read:

14 77.51 (1p) "Computer software" means a set of coded instructions designed to
15 cause a computer or automatic data processing equipment to perform a task.
16 "Computer software" does not include specified digital goods.

17 **SECTION 2181.** 77.51 (1r) of the statutes is created to read:

18 77.51 (1r) "Conference bridging service" means an ancillary service that links
19 2 or more participants of an audio or video conference call and may include providing
20 a telephone number, but does not include the telecommunications services used to
21 reach the conference bridge.

22 **SECTION 2182.** 77.51 (2k) of the statutes is created to read:

23 77.51 (2k) "Delivered electronically" means delivered to a purchaser by means
24 other than by tangible storage media.

25 **SECTION 2183.** 77.51 (2m) of the statutes is created to read:

1 77.51 (2m) "Delivery charges" means charges by a seller to prepare and deliver
2 tangible personal property or services to a location designated by the purchaser of
3 the tangible personal property or services, including charges for transportation,
4 shipping, postage, handling, crating, and packing.

5 **SECTION 2184.** 77.51 (3c) of the statutes is created to read:

6 77.51 (3c) "Detailed telecommunications billing service" means an ancillary
7 service that separately indicates information pertaining to individual calls on a
8 customer's billing statement.

9 **SECTION 2185.** 77.51 (3n) of the statutes is created to read:

10 77.51 (3n) "Dietary supplement" means a product, other than tobacco, that is
11 intended to supplement a person's diet, if all of the following apply:

12 (a) The product contains any of the following ingredients or any combination
13 of any of the following ingredients:

14 1. A vitamin.

15 2. A mineral.

16 3. An herb or other botanical.

17 4. An amino acid.

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

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

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

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

3 **SECTION 2186.** 77.51 (3p) of the statutes is created to read:

4 **77.51 (3p)** "Digital audio works" means works that result from the fixation of
5 a series of musical, spoken, or other sounds that are transferred electronically,
6 including prerecorded or live music, prerecorded or live readings of books or other
7 written materials, prerecorded or live speeches, or ringtones, but not including audio
8 greeting cards sent by electronic mail.

9 **SECTION 2187.** 77.51 (3pa) of the statutes is created to read:

10 **77.51 (3pa)** "Digital audiovisual works" means a series of related images that,
11 when shown in succession, impart an impression of motion, along with
12 accompanying sounds, if any, that are transferred electronically. "Digital
13 audiovisual works" includes motion pictures, musical videos, news programs, and
14 live events, but does not include video greeting cards sent by electronic mail or video
15 or electronic games.

16 **SECTION 2188.** 77.51 (3pb) of the statutes is created to read:

17 **77.51 (3pb)** "Digital books" means works that are generally recognized as
18 books and are transferred electronically. "Digital books" includes novels, nonfiction
19 works, and short stories, but does not include newspapers, periodicals, chat room
20 discussions, or blogs.

21 **SECTION 2189.** 77.51 (3pc) of the statutes is created to read:

22 **77.51 (3pc)** "Digital code" means a code that provides the person who holds the
23 code a right to obtain an additional digital good, a digital audiovisual work, digital
24 audio work, or digital book and that may be obtained by any means, including
25 tangible forms and electronic mail, regardless of whether the code is designated as

1 song code, video code, or book code. "Digital code" includes codes used to access or
2 obtain any specified digital goods, or any additional digital goods that have been
3 previously purchased, and promotion cards or codes that are purchased by a retailer
4 or other business entity for use by the retailer's or entity's customers. "Digital code"
5 does not include the following:

- 6 1. A code that represents any redeemable card, gift card, or gift certificate that
7 entitles the holder of such card or certificate to select any specified digital goods or
8 additional digital goods at the cash value indicated by the card or certificate.
- 9 2. Digital cash that represents a monetary value that a customer may use to
10 pay for a future purchase.

11 **SECTION 2190.** 77.51 (3pd) of the statutes is created to read:

12 77.51 (3pd) "Direct mail" means printed material that is delivered by the U.S.
13 postal service or other delivery service to a mass audience or to addressees on a
14 mailing list provided by or at the direction of the purchaser of the printed material,
15 if the cost of the printed material or any tangible personal property included with the
16 printed material is not billed directly to the recipients of the printed material.
17 "Direct mail" includes any tangible personal property provided directly or indirectly
18 by the purchaser of the printed material to the seller of the printed material for
19 inclusion in any package containing the printed material, including billing invoices,
20 return envelopes, and additional marketing materials. "Direct mail" does not
21 include multiple items of printed material delivered to a single address.

22 **SECTION 2191.** 77.51 (3pe) of the statutes is created to read:

23 77.51 (3pe) "Directory assistance" means an ancillary service that provides
24 telephone numbers or addresses.

25 **SECTION 2192.** 77.51 (3pf) of the statutes is created to read:

1 77.51 (3pf) "Distinct and identifiable product" does not include any of the
2 following:

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

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

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

11 **SECTION 2193.** 77.51 (3pj) of the statutes is created to read:

12 77.51 (3pj) "Drug" means a compound, substance, or preparation, or any
13 component of them, other than food and food ingredients, dietary supplements, or
14 alcoholic beverages, to which any of the following applies:

15 (a) It is listed in the United States Pharmacopoeia, Homeopathic
16 Pharmacopoeia of the United States, or National Formulary, or any supplement to
17 any of them.

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

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

21 **SECTION 2194.** 77.51 (3pm) of the statutes is created to read:

22 77.51 (3pm) "Durable medical equipment" means equipment, including the
23 repair parts and replacement parts for the equipment that is primarily and
24 customarily used for a medical purpose related to a person; that can withstand
25 repeated use; that is not generally useful to a person who is not ill or injured; and that

1 is not placed in or worn on the body. "Durable medical equipment" does not include
2 mobility-enhancing equipment.

3 **SECTION 2195.** 77.51 (3pn) of the statutes is created to read:

4 **77.51 (3pn)** "Eight hundred service" means a telecommunications service that
5 allows a caller to dial a toll-free number without incurring a charge for the call and
6 is marketed under "800," "855," "866," "877," or "888" toll-free calling, or any other
7 number designated as toll-free by the federal communications commission.

8 **SECTION 2196.** 77.51 (3po) of the statutes is created to read:

9 **77.51 (3po)** "Electronic" means relating to technology having electrical, digital,
10 magnetic, wireless, optical, electromagnetic, or similar capabilities.

11 **SECTION 2197.** 77.51 (3pq) of the statutes is created to read:

12 **77.51 (3pq)** "Finished artwork" means the final art used for actual
13 reproduction by photomechanical or other processes or for display purposes.

14 "Finished artwork" also includes all of the following items regardless of whether such
15 items are reproduced:

16 (a) Drawings.

17 (b) Paintings.

18 (c) Designs.

19 (d) Photographs.

20 (e) Lettering.

21 (f) Paste-ups.

22 (g) Mechanicals.

23 (h) Assemblies.

24 (i) Charts.

25 (j) Graphs.

1 (k) Illustrative materials.

2 **SECTION 2198.** 77.51 (3rm) of the statutes is created to read:

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

5 **SECTION 2199.** 77.51 (3t) of the statutes is created to read:

6 **77.51 (3t)** "Food and food ingredient" means a substance in liquid,
7 concentrated, solid, frozen, dried, or dehydrated form, that is sold for ingestion, or
8 for chewing, by humans and that is ingested or chewed for its taste or nutritional
9 value. "Food and food ingredient" does not include alcoholic beverages or tobacco.

10 **SECTION 2200.** 77.51 (4) of the statutes is repealed.

11 **SECTION 2201.** 77.51 (5) of the statutes is amended to read:

12 **77.51 (5)** For purposes of subs. (13) (e) and (f) and ~~(14) (L)~~ (15a) and s. 77.52
13 (2m), "incidental" means depending upon or appertaining to something else as
14 primary; something necessary, appertaining to, or depending upon another which is
15 termed the principal; something incidental to the main purpose of the service.
16 Tangible personal property, specified digital goods, or additional digital goods
17 transferred by a service provider is incidental to the service if the purchaser's main
18 purpose or objective is to obtain the service rather than the property or goods, even
19 though the property or goods may be necessary or essential to providing the service.

20 **SECTION 2202.** 77.51 (5d) of the statutes is created to read:

21 **77.51 (5d)** "International telecommunications services" means
22 telecommunications services that originate or terminate in the United States,
23 including the District of Columbia and any U.S. territory or possession and originate
24 or terminate outside of the United States, including the District of Columbia and any
25 U.S. territory or possession.

1 **SECTION 2203.** 77.51 (5n) of the statutes is created to read:

2 **77.51 (5n)** "Interstate telecommunications services" means
3 telecommunications services that originate in one state or U.S. territory or
4 possession and terminate in a different state or U.S. territory or possession.

5 **SECTION 2204.** 77.51 (5r) of the statutes is created to read:

6 **77.51 (5r)** "Intrastate telecommunications services" means
7 telecommunications services that originate in one state or U.S. territory or
8 possession and terminate in the same state or U.S. territory or possession.

9 **SECTION 2205.** 77.51 (6m) of the statutes is renumbered 77.51 (5m).

10 **SECTION 2206.** 77.51 (7) of the statutes is repealed and recreated to read:

11 **77.51 (7) (a)** "Lease or rental" means any transfer of possession or control of
12 tangible personal property for a fixed or indeterminate term and for consideration
13 and includes:

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

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

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

20 1. A transfer of possession or control of tangible personal property under a
21 security agreement or deferred payment plan, if such agreement or plan requires
22 transferring title to the tangible personal property after making all required
23 payments.

24 2. A transfer of possession or control of tangible personal property under any
25 agreement that requires transferring title to the tangible personal property after

1 making all required payments and after paying an option price that does not exceed
2 the greater of \$100 or 1 percent of the total amount of the required payments.

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

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

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

15 **SECTION 2207.** 77.51 (7g) of the statutes is created to read:

16 77.51 (7g) "Load-and-leave" means delivery to a purchaser by using a tangible
17 storage media that is not physically transferred to the purchaser.

18 **SECTION 2208.** 77.51 (7k) of the statutes is created to read:

19 77.51 (7k) "Mobile wireless service" means a telecommunications service for
20 which the origination or termination points of the service's transmission,
21 conveyance, or routing are not fixed, regardless of the technology used to transmit,
22 convey, or route the service. "Mobile wireless service" includes a telecommunications
23 service provided by a commercial mobile radio service provider.

24 **SECTION 2209.** 77.51 (7m) of the statutes is created to read:

1 77.51 (7m) "Mobility-enhancing equipment" means equipment, including the
2 repair parts and replacement parts for the equipment, that is primarily and
3 customarily used to provide or increase the ability of a person to move from one place
4 to another; that may be used in a home or motor vehicle; and that is generally not
5 used by a person who has normal mobility. "Mobility-enhancing equipment" does
6 not include a motor vehicle or any equipment on a motor vehicle that is generally
7 provided by a motor vehicle manufacturer.

8 **SECTION 2210.** 77.51 (8m) of the statutes is created to read:

9 77.51 (8m) "Nine hundred service" means an inbound toll telecommunications
10 service purchased by a subscriber that allows the subscriber's customers to call the
11 subscriber's prerecorded announcement or live service. "Nine hundred service" does
12 not include any charge for collection services provided by the seller of the
13 telecommunications services to the subscriber or for any product or service the
14 subscriber sells to the subscriber's customers. A "nine hundred service" is
15 designated with the "900" number or any other number designated by the federal
16 communications commission.

17 **SECTION 2211.** 77.51 (9) (a) of the statutes is amended to read:

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

1 such sale the seller holds or is required to hold a seller's permit, except that this
2 provision does not apply to an organization required to hold a seller's permit solely
3 for the purpose of conducting bingo games and except as provided in par. (am).

4 **SECTION 2212.** 77.51 (9) (am) of the statutes is amended to read:

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

11 **SECTION 2213.** 77.51 (9p) of the statutes is created to read:

12 77.51 (9p) "One nonitemized price" does not include a price that is separately
13 identified by product on a binding sales document, or other sales-related document,
14 that is made available to the customer in paper or electronic form, including an
15 invoice, a bill of sale, a receipt, a contract, a service agreement, a lease agreement,
16 a periodic notice of rates and services, a rate card, or a price list.

17 **SECTION 2214.** 77.51 (9s) of the statutes is created to read:

18 77.51 (9s) "Paging service" means a telecommunications service that transmits
19 coded radio signals to activate specific pagers and may include messages or sounds.

20 **SECTION 2215.** 77.51 (10) of the statutes is amended to read:

21 77.51 (10) "Person" includes any natural person, firm, partnership, limited
22 liability company, joint venture, joint stock company, association, public or private
23 corporation, the United States, the state, including any unit or division of the state,
24 any county, city, village, town, municipal utility, municipal power district or other
25 governmental unit, cooperative, unincorporated cooperative association, estate,

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1 trust, receiver, personal representative, any other fiduciary, any other legal entity,
2 and any representative appointed by order of any court or otherwise acting on behalf
3 of others. "Person" also includes the owner of a single-owner entity that is
4 disregarded as a separate entity under ch. 71.

5 **SECTION 2216.** 77.51 (10d) of the statutes is created to read:

6 **77.51 (10d)** "Prepaid calling service" means the right to exclusively access
7 telecommunications services, if that right is paid for in advance of providing such
8 services, requires using an access number or authorization code to originate calls,
9 and is sold in predetermined units or dollars that decrease with use in a known
10 amount.

11 **SECTION 2217.** 77.51 (10f) of the statutes is created to read:

12 **77.51 (10f)** "Prepaid wireless calling service" means a telecommunications
13 service that provides the right to utilize mobile wireless service as well as other
14 nontelecommunications services, including the download of digital products
15 delivered electronically, content, and ancillary services, and that is paid for prior to
16 use and sold in predetermined dollar units whereby the number of units declines
17 with use in a known amount.

18 **SECTION 2218.** 77.51 (10m) of the statutes is created to read:

19 **77.51 (10m) (a)** "Prepared food" means:

- 20 1. Food and food ingredients sold in a heated state.
- 21 2. Food and food ingredients heated by the retailer, except as provided in par.

22 (b).

23 3. Food and food ingredients sold with eating utensils that are provided by the
24 retailer of the food and food ingredients, including plates, knives, forks, spoons,
25 glasses, cups, napkins, or straws. In this subdivision, "plate" does not include a

1 container or packaging used to transport food and food ingredients. For purposes of
2 this subdivision, a retailer provides utensils if any of the following applies:

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

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

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

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

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

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

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

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

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

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

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

10 b. A denominator that includes all food and food ingredients, including
11 prepared food, candy, dietary supplements, and soft drinks, but not including
12 alcoholic beverages.

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

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

21 3. For a retailer whose percentage determined under subd. 1. is greater than
22 75 percent, an item sold by the retailer that contains 4 or more servings packaged
23 as 1 item and sold for a single price does not become prepared food simply because
24 the retailer makes utensils available to the purchaser of the item, but does become
25 prepared food if the retailer physically gives or hands utensils to the purchaser of the

1 item. For purposes of this subdivision 3. a., serving sizes are based on the
2 information contained on the label of each item sold, except that, if the item has no
3 label, the serving size is based on the retailer's reasonable determination.

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

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

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

25 **SECTION 2219.** 77.51 (10n) of the statutes is created to read:

1 77.51 (10n) "Prescription" means an order, formula, or recipe that is issued by
2 any oral, written, electronic, or other means of transmission and by a person who is
3 authorized by the laws of this state to issue such an order, formula, or recipe.

4 **SECTION 2220.** 77.51 (10r) of the statutes is created to read:

5 77.51 (10r) "Prewritten computer software" means any of the following:

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

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

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

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

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

20 **SECTION 2221.** 77.51 (10s) of the statutes is created to read:

21 77.51 (10s) "Private communication service" means a telecommunications
22 service that entitles the customer to exclusive or priority use of a communications
23 channel or group of communications channels, regardless of the manner in which the
24 communications channel or group of communications channels is connected, and

1 includes switching capacity, extension lines, stations, and other associated services
2 that are provided in connection with the use of such channel or channels.

3 **SECTION 2222.** 77.51 (11d) of the statutes is created to read:

4 77.51 (11d) "Product" includes tangible personal property, specified digital
5 goods, additional digital goods, and services.

6 **SECTION 2223.** 77.51 (11m) of the statutes is created to read:

7 77.51 (11m) "Prosthetic device" means a device, including the repair parts and
8 replacement parts for the device, that is placed in or worn on the body to artificially
9 replace a missing portion of the body; to prevent or correct a physical deformity or
10 malfunction; or to support a weak or deformed portion of the body.

11 **SECTION 2224.** 77.51 (12) (a) of the statutes is amended to read:

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

16 **SECTION 2225.** 77.51 (12) (b) of the statutes is amended to read:

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

20 **SECTION 2226.** 77.51 (12m) of the statutes is created to read:

21 77.51 (12m) (a) "Purchase price" means the total amount of consideration,
22 including cash, credit, property, and services, for which tangible personal property,
23 specified digital goods, additional digital goods, or services are sold, leased, or rented,
24 valued in money, whether paid 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 purchase price of the property that is subject to tax under this
13 subchapter as compared to the total purchase 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) "Purchase 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 personal property, specified digital goods, additional digital goods, or services,
23 if the amount of the interest, financing, or carrying charges is separately stated on
24 the invoice, bill of sale, or similar document that the seller gives to the 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 purchase price
7 that represents the amount allowed for the article traded, except that this
8 subdivision 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 purchase price from the sale of the motor
14 vehicle. This subdivision applies only to the first motor vehicle purchased by a
15 person after receiving a refund under s. 218.0171 (2) (b) 2. b.

16 7. Thirty-five percent of the purchase price, excluding trade-ins, of a new
17 mobile home, as defined in s. 340.01 (29), that is a primary housing unit or of a new
18 mobile home, as defined in s. 340.01 (29), that is transported in 2 unattached sections
19 if the total size of the combined sections, not including additions and attachments,
20 is at 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 purchase price of a manufactured building, as
25 defined in s. 101.71 (6), or an amount equal to the purchase price of the manufactured

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

3 (c) "Purchase price" includes consideration received by the seller from a 3rd
4 party, 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. The purchaser presents a coupon, certificate, or other documentation to the
13 seller to claim the price reduction or discount, if the coupon, certificate, or other
14 documentation is authorized, distributed, or granted by the 3rd party with the
15 understanding that the 3rd party will reimburse the seller for the amount of the price
16 reduction or discount.

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

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

22 **SECTION 2227.** 77.51 (12p) of the statutes is created to read:

23 77.51 (12p) "Purchaser" means a person to whom a sale of tangible personal
24 property is made or to whom a service is furnished.

25 **SECTION 2228.** 77.51 (13) (a) of the statutes is amended to read:

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

4 **SECTION 2229.** 77.51 (13) (b) of the statutes is amended to read:

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

10 **SECTION 2230.** 77.51 (13) (c) of the statutes is amended to read:

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

20 **SECTION 2231.** 77.51 (13) (d) of the statutes is amended to read:

21 77.51 (13) (d) Every wholesaler to the extent that the wholesaler sells tangible
22 personal property, specified digital goods, or additional digital goods to a person
23 other than a seller as defined in sub. (17) provided such wholesaler is not expressly
24 exempt from the sales tax on such sale or from collecting the use tax on such sale.

25 **SECTION 2232.** 77.51 (13) (e) of the statutes is amended to read:

1 77.51 (13) (e) A person selling tangible personal property, specified digital
2 goods, or additional digital goods to a service provider who transfers the property in
3 conjunction with the selling, performing or furnishing of any service and the
4 property is or goods are incidental to the service, unless the service provider is
5 selling, performing or furnishing services under s. 77.52 (2) (a) 7., 10., 11. and 20.
6 This subsection does not apply to sub. (2).

7 **SECTION 2233.** 77.51 (13) (f) of the statutes is amended to read:

8 77.51 (13) (f) A service provider who transfers tangible personal property,
9 specified digital goods, or additional digital goods in conjunction with but not
10 incidental to the selling, performing or furnishing of any service and a service
11 provider selling, performing or furnishing services under s. 77.52 (2) (a) 7., 10., 11.
12 and 20. This subsection does not apply to sub. (2).

13 **SECTION 2234.** 77.51 (13) (k) of the statutes is amended to read:

14 77.51 (13) (k) ~~As respects~~ With regards to a lease, any person deriving rentals
15 from a lease of tangible personal property, specified digital goods, or additional
16 digital goods situated in this state.

17 **SECTION 2235.** 77.51 (13) (m) of the statutes is amended to read:

18 77.51 (13) (m) A person selling tangible personal property, specified digital
19 goods, or additional digital goods to a veterinarian to be used or furnished by the
20 veterinarian in the performance of services in some manner related to domestic
21 animals, including pets or poultry.

22 **SECTION 2236.** 77.51 (13) (n) of the statutes is amended to read:

23 77.51 (13) (n) A person selling household furniture, furnishings, equipment,
24 appliances or other items of tangible personal property, specified digital goods, or

1 additional digital goods to a landlord for use by tenants in leased or rented living
2 quarters.

3 **SECTION 2237.** 77.51 (13) (o) of the statutes is amended to read:

4 77.51 (13) (o) A person selling medicine drugs for animals to a veterinarian.

5 As used in this paragraph, "animal" includes livestock, pets and poultry.

6 **SECTION 2238.** 77.51 (13g) (intro.) of the statutes is amended to read:

7 77.51 (13g) (intro.) Except as provided in sub. (13h), "retailer engaged in
8 business in this state", ~~unless otherwise limited by federal statute~~, for purposes of
9 the use tax, means any of the following:

10 **SECTION 2239.** 77.51 (13g) (c) of the statutes is created to read:

11 77.51 (13g) (c) Any retailer selling tangible personal property or taxable
12 services for storage, use, or other consumption in this state, unless otherwise limited
13 by federal law.

14 **SECTION 2240.** 77.51 (13r) of the statutes is amended to read:

15 77.51 (13r) Any person purchasing from a retailer as defined in sub. (13) shall
16 be deemed the consumer of the tangible personal property, specified digital goods,
17 additional digital goods, or services purchased.

18 **SECTION 2241.** 77.51 (13rm) of the statutes is created to read:

19 77.51 (13rm) "Retail sale" or "sale at retail" means any sale, lease, or rental
20 for any purpose other than resale, sublease, or subrent.

21 **SECTION 2242.** 77.51 (13rn) of the statutes is created to read:

22 77.51 (13rn) "Ringtones" means digitized sound files that are downloaded onto
23 a device and that may be used to alert the customer with regard to a communication.

24 "Ringtones" includes MP3 or musical tones, polyphonic tones, and synthetic music
25 mobile application format tones, but does not include ring-back tones.

SECTION 2243

1 **SECTION 2243.** 77.51 (14) (intro.) of the statutes is amended to read:

2 77.51 (14) (intro.) “Sale”, “~~sale, lease or rental~~”, “~~retail sale~~”, “~~sale at retail~~”, or
3 ~~equivalent terms include~~ includes any one or all of the following: the transfer of the
4 ownership of, title to, possession of, or enjoyment of tangible personal property,
5 specified digital goods, additional digital goods, or services for use or consumption
6 but not for resale as tangible personal property, specified digital goods, additional
7 digital goods, or services and includes:

8 **SECTION 2244.** 77.51 (14) (a) of the statutes is amended to read:

9 77.51 (14) (a) Any sale at an auction in with respect to tangible personal
10 property, specified digital goods, or additional digital goods which is are sold to a
11 successful bidder. ~~The proceeds from, except~~ the sale of property or goods sold at
12 auction which is are bid in by the seller and on which title does not pass to a new
13 purchaser shall be deducted from the gross proceeds of the sale and the tax paid only
14 on the net proceeds.

15 **SECTION 2245.** 77.51 (14) (b) of the statutes is amended to read:

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

19 **SECTION 2246.** 77.51 (14) (c) of the statutes is amended to read:

20 77.51 (14) (c) A transaction whereby the possession of tangible personal
21 property is, specified digital goods, or additional digital goods are transferred but the
22 seller retains the title as security for the payment of the price.

23 **SECTION 2247.** 77.51 (14) (d) of the statutes is repealed.

24 **SECTION 2248.** 77.51 (14) (g) of the statutes is renumbered 77.51 (15a) (b) 4.

25 **SECTION 2249.** 77.51 (14) (h) of the statutes is amended to read:

1 77.51 (14) (h) A transfer for a consideration of the title or possession of tangible
2 personal property, specified digital goods, or additional digital goods which has have
3 been produced, fabricated, or printed to the special order of the customer or of any
4 publication.

5 **SECTION 2250.** 77.51 (14) (i) of the statutes is repealed.

6 **SECTION 2251.** 77.51 (14) (j) of the statutes is amended to read:

7 77.51 (14) (j) The granting of possession of tangible personal property, specified
8 digital goods, or additional digital goods by a lessor to a lessee, or to another person
9 at the direction of the lessee. Such a transaction is deemed a continuing sale in this
10 state ~~by the lessor for the duration of the lease as respects any period of time the~~
11 ~~leased property is situated in this state, irrespective of the time or place of delivery~~
12 of the property to the lessee or such other person.

13 **SECTION 2252.** 77.51 (14) (k) of the statutes is repealed.

14 **SECTION 2253.** 77.51 (14) (L) of the statutes is repealed.

15 **SECTION 2254.** 77.51 (14g) (a) of the statutes is amended to read:

16 77.51 (14g) (a) The transfer of property, specified digital goods, or additional
17 digital goods to a corporation upon its organization solely in consideration for the
18 issuance of its stock;

19 **SECTION 2255.** 77.51 (14g) (b) of the statutes is amended to read:

20 77.51 (14g) (b) The contribution of property, specified digital goods, or
21 additional digital goods to a newly formed partnership solely in consideration for a
22 partnership interest therein;

23 **SECTION 2256.** 77.51 (14g) (bm) of the statutes is amended to read:

SECTION 2256

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

4 SECTION 2257. 77.51 (14g) (c) of the statutes is amended to read:

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

8 SECTION 2258. 77.51 (14g) (cm) of the statutes is amended to read:

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

12 SECTION 2259. 77.51 (14g) (d) of the statutes is amended to read:

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

16 SECTION 2260. 77.51 (14g) (e) of the statutes is amended to read:

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

20 SECTION 2261. 77.51 (14g) (em) of the statutes is amended to read:

21 77.51 (14g) (em) The distribution of property, specified digital goods, or
22 additional digital goods by a limited liability company to its members in whole or
23 partial liquidation;

24 SECTION 2262. 77.51 (14g) (f) of the statutes is amended to read:

1 77.51 (14g) (f) Repossession of property, specified digital goods, or additional
2 digital goods by the seller from the purchaser when the only consideration is
3 cancellation of the purchaser's obligation to pay the remaining balance of the
4 purchase price;

5 **SECTION 2263.** 77.51 (14g) (g) of the statutes is amended to read:

6 77.51 (14g) (g) The transfer of property, specified digital goods, or additional
7 digital goods in a reorganization as defined in section 368 of the internal revenue
8 code in which no gain or loss is recognized for franchise or income tax purposes; or

9 **SECTION 2264.** 77.51 (14g) (h) of the statutes is amended to read:

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

19 **SECTION 2265.** 77.51 (14r) of the statutes is repealed.

20 **SECTION 2266.** 77.51 (15) of the statutes is repealed.

21 **SECTION 2267.** 77.51 (15a) of the statutes is created to read:

22 77.51 (15a) (a) "Sales, lease, or rental for resale, sublease, or subrent" includes
23 transfers of tangible personal property, specified digital goods, or additional digital
24 goods to a service provider that the service provider transfers in conjunction with but
25 not incidental to the selling, performing, or furnishing of any service, and transfers

1 of tangible personal property, specified digital goods, or additional digital goods to
2 a service provider that the service provider physically transfers in conjunction with
3 the selling, performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., or 20.
4 This paragraph does not apply to sub. (2).

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

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

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

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

24 **SECTION 2268.** 77.51 (15b) of the statutes is created to read: