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1 **SECTION 2405.** 77.54 (44) of the statutes, as affected by 2005 Wisconsin Act 141,
2 is amended to read:

3 77.54 (44) The ~~gross receipts~~ sales price from the collection of low-income
4 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

5 **SECTION 2406.** 77.54 (45) of the statutes is amended to read:

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

14 **SECTION 2407.** 77.54 (46) of the statutes is amended to read:

15 77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,
16 or other consumption of the U.S. flag or the state flag. This subsection does not apply
17 to a representation of the U.S. flag or the state flag.

18 **SECTION 2408.** 77.54 (46m) of the statutes is amended to read:

19 77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
20 or other consumption of telecommunications services, if the telecommunications
21 services are obtained by using the rights to purchase telecommunications services,
22 including purchasing reauthorization numbers, by paying in advance and by using
23 an access number and authorization code; and if the tax imposed under s. 77.52 or
24 77.53 was previously paid on the sale or purchase of such rights.

25 **SECTION 2409.** 77.54 (47) (intro.) of the statutes is amended to read:

1 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
2 use, or other consumption of all of the following:

3 **SECTION 2410.** 77.54 (47) (b) 1. and 2. of the statutes are amended to read:

4 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
5 s. 77.52 on its ~~gross receipts~~ the sales price from charges for shooting at the facility.

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

10 **SECTION 2411.** 77.54 (48) (a) of the statutes is renumbered 77.585 (9) (a) and
11 amended to read:

12 77.585 (9) (a) Subject to 2005 Wisconsin Act 479, section 17, ~~the gross receipts~~
13 ~~from the sale of and the storage, use, or other consumption~~ a purchaser may claim
14 as a deduction that portion of its purchase price of Internet equipment used in the
15 broadband market for which the tax was imposed under this subchapter, if the
16 purchaser certifies to the department of commerce, in the manner prescribed by the
17 department of commerce, that the purchaser will, within 24 months after July 1,
18 2007, make an investment that is reasonably calculated to increase broadband
19 Internet availability in this state. The purchaser shall claim the deduction in the
20 same reporting period as the purchaser paid the tax imposed under this subchapter.

21 **SECTION 2412.** 77.54 (48) (b) of the statutes is renumbered 77.585 (9) (b).

22 **SECTION 2413.** 77.54 (49) of the statutes is amended to read:

23 77.54 (49) The ~~gross receipts~~ sales price from the sale of and the storage, use,
24 or other consumption of taxable services and tangible personal property that is
25 physically transferred to the purchaser as a necessary part of services that are

1 subject to the taxes imposed under s. 77.52 (2) (a) 7., 10., 11., and 20., if the seller and
2 the purchaser of such services and property are members of the same affiliated group
3 under section 1504 of the Internal Revenue Code and are eligible to file a single
4 consolidated return for federal income tax purposes. For purposes of this subsection,
5 if a seller purchases a taxable service or tangible personal property, as described in
6 the subsection, that is subsequently sold to a member of the seller's affiliated group
7 and the sale is exempt under this subsection from the taxes imposed under this
8 subchapter, the original purchase of the taxable service or tangible personal property
9 by the seller is not considered a sale for resale or exempt under this subsection.

10 **SECTION 2414.** 77.54 (50) of the statutes is created to read:

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

16 **SECTION 2415.** 77.54 (51) of the statutes is created to read:

17 77.54 (51) The sales price from the sales of and the storage, use, or other
18 consumption of products sold in a transaction that would be a bundled transaction,
19 except that it contains taxable and nontaxable products as described in s. 77.51 (1f)
20 (d), and except that the first person combining the products shall pay the tax imposed
21 under this subchapter on the person's purchase price of the taxable items.

22 **SECTION 2416.** 77.54 (52) of the statutes is created to read:

23 77.54 (52) The sales price from the sales of and the storage, use, or other
24 consumption of products sold in a transaction that would be a bundled transaction,
25 except that the transaction meets the conditions described in s. 77.51 (1f) (e).

1 **SECTION 2417.** 77.54 (53) of the statutes is created to read:

2 **77.54 (53)** (a) In this subsection:

3 1. "Animals" include bacteria, viruses, and other microorganisms.

4 2. "Manufacturing" has the meaning given in sub. (6m).

5 3. "Qualified research" means qualified research as defined under section 41
6 (d) (1) of the Internal Revenue Code, except that research conducted by a public or
7 private institution of higher education or by a governmental unit is "qualified
8 research" if applying the research is intended to be useful in developing a new or
9 improved product or service and the research satisfies section 41 (d) (1) (B) (i) and
10 (C) of the Internal Revenue Code.

11 (b) The gross receipts from the sale of and the storage, use, or other
12 consumption of:

13 1. Machines and specific processing equipment, including accessories,
14 attachments, and parts for the machines or equipment, that are used exclusively and
15 directly in raising animals that are sold primarily to a biotechnology business, a
16 public or private institution of higher education, or a governmental unit for exclusive
17 and direct use by any such entity in qualified research or manufacturing.

18 2. The items listed in sub. (3m) (a) to (m), medicines, semen for artificial
19 insemination, fuel, and electricity that are used exclusively and directly in raising
20 animals that are sold primarily to a biotechnology business, a public or private
21 institution of higher education, or a governmental unit for exclusive and direct use
22 by any such entity in qualified research or manufacturing.

23 3. Machines and specific processing equipment, including accessories,
24 attachments, and parts for the machines or equipment, that are sold to a

1 biotechnology business and used exclusively and directly in qualified research in
2 biotechnology.

3 4. Tangible personal property that is sold to a biotechnology business, if the
4 property is consumed or destroyed or loses its identity while being used exclusively
5 and directly in qualified research in biotechnology.

6 5. Animals that are sold to a biotechnology business and used exclusively and
7 directly in qualified research in biotechnology.

8 (c) A person who claims an exemption under par. (b) 1. and 2. shall obtain
9 written documentation from the person's customers related to each customer's use
10 of animals, including the percentage of animals sold to the customer that are used
11 exclusively and directly in qualified research.

12 (d) The department shall publish on the department's Internet site a list of all
13 biotechnology businesses certified by the department.

14 **SECTION 2418.** 77.54 (53) (b) (intro.) of the statutes, as created by 2007
15 Wisconsin Act (this act), is repealed and recreated to read:

16 77.54 (53) (b) (intro.) The sales price from the sale of and the storage, use, or
17 other consumption of:

18 **SECTION 2419.** 77.54 (54) of the statutes, as created by 2007 Wisconsin Act
19 (this act), is repealed and recreated to read:

20 77.54 (54) The sales price from the sale of and the storage, use, or other
21 consumption of tangible personal property and taxable services that are sold by a
22 home exchange service that receives moneys from the appropriation account under
23 s. 20.485 (1) (g) and is operated by the department of veterans affairs.

24 **SECTION 2420.** 77.55 (1) (intro.) of the statutes is amended to read:

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

4 **SECTION 2421.** 77.55 (2) of the statutes is amended to read:

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

12 **SECTION 2422.** 77.55 (2m) of the statutes is amended to read:

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

22 **SECTION 2423.** 77.55 (3) of the statutes is amended to read:

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

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

4 **SECTION 2424.** 77.56 (1) of the statutes is amended to read:

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

8 **SECTION 2425.** 77.57 of the statutes is amended to read:

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

20 **SECTION 2426.** 77.58 (3) (a) of the statutes is amended to read:

21 77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller.
22 For purposes of the use tax a return shall be filed by every retailer engaged in
23 business in this state and by every person purchasing tangible personal property,
24 specified digital goods, additional digital goods, or services, the storage, use, or other
25 consumption of which is subject to the use tax, who has not paid the use tax due to

1 a retailer required to collect the tax. If a qualified subchapter S subsidiary is not
2 regarded as a separate entity under ch. 71, the owner of that subsidiary shall include
3 the information for that subsidiary on the owner's return. Returns shall be signed
4 by the person required to file the return or by a duly authorized agent but need not
5 be verified by oath. If a single-owner entity is disregarded as a separate entity under
6 ch. 71, the owner shall include the information from the entity on the owner's return.

7 **SECTION 2427.** 77.58 (3) (b) of the statutes is amended to read:

8 ~~77.58 (3) (b) For purposes of the sales tax the return shall show the gross~~
9 ~~receipts of the seller during the preceding reporting period. For purposes of the use~~
10 ~~tax, in case of a return filed by a retailer, the return shall show the total sales price~~
11 ~~of the property or taxable services sold, the storage, use or consumption of which~~
12 ~~became subject to the use tax during the preceding reporting period. In case of a sales~~
13 ~~or use tax return filed by a purchaser, the return shall show the total sales price of~~
14 ~~the property and taxable services purchased, the storage, use or consumption of~~
15 ~~which became subject to the use tax during the preceding reporting period. The~~
16 ~~return shall also show the amount of the taxes for the period covered by the return~~
17 ~~and such other information as the department deems necessary for the proper~~
18 ~~administration of this subchapter.~~

19 **SECTION 2428.** 77.58 (6) of the statutes is amended to read:

20 77.58 (6) For the purposes of the sales tax gross receipts, the sales price from
21 rentals or leases of tangible personal property, specified digital goods, or additional
22 digital goods shall be reported and the tax paid in accordance with such rules as the
23 department prescribes.

24 **SECTION 2429.** 77.58 (6m) of the statutes is created to read:

1 77.58 (6m) (a) The department may, in cases where it is satisfied that an undue
2 hardship would otherwise result, permit the reporting of a sales price or purchase
3 price on some basis other than the accrual basis.

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

8 **SECTION 2430.** 77.58 (9) of the statutes is created to read:

9 77.58 (9) The department may require a filing fee for sales tax returns that are
10 filed on paper.

11 **SECTION 2431.** 77.58 (9a) of the statutes is created to read:

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

18 **SECTION 2432.** 77.585 of the statutes is created to read:

19 **77.585 Return adjustments.** (1) (a) In this subsection, "bad debt" means the
20 portion of the sales price or purchase price that the seller has reported as taxable
21 under this subchapter and that the seller may claim as a deduction under section 166
22 of the Internal Revenue Code. "Bad debt" does not include financing charges or
23 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible
24 amounts on property, specified digital goods, or additional digital goods that remain
25 in the seller's possession until the full sales price or purchase price is paid, expenses

1 incurred in attempting to collect any debt, debts sold or assigned to 3rd parties for
2 collection, and repossessed property.

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

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

21 (d) A seller may obtain a refund of the tax collected on any bad debt amount
22 deducted under par. (b) that exceeds the amount of the seller's taxable sales as
23 provided under s. 77.59 (4), except that the period for making a claim as determined
24 under s. 77.59 (4) begins on the date on which the return on which the bad debt could

1 be claimed would have been required to be submitted to the department under s.
2 77.58.

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

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

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

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

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

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

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

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

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

24 (8) A sale or purchase involving transfer of ownership of property, specified
25 digital goods, or additional digital goods is completed at the time when possession

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

5 **SECTION 2433.** 77.59 (2m) of the statutes is created to read:

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

9 **SECTION 2434.** 77.59 (5m) of the statutes is amended to read:

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

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1 the sale of or the storage, use, or other consumption of tangible personal property,
2 specified digital goods, or additional digital goods that is are used by the person in
3 that activity or service and transferred to the buyer.

4 **SECTION 2435.** 77.59 (7) of the statutes is amended to read:

5 77.59 (7) If the department believes that the collection of any tax imposed by
6 this subchapter will be jeopardized by delay, it shall notify the person determined to
7 owe the tax of its intention to proceed under s. 71.91 (5) for collection of the amount
8 determined to be owing, including penalties and interest. Such notice shall be by
9 certified or registered mail or by personal service and the warrant of the department
10 shall not issue if the person, within 10 days after such notice furnishes a bond in such
11 amount not exceeding double the amount determined to be owing and with such
12 sureties as the department approves, conditioned upon the payment of so much of
13 the taxes, interest, and penalties as shall finally be determined to be due. Nothing
14 in this subsection shall affect the review of determinations of tax as provided in this
15 subchapter and any amounts collected under this subsection shall be deposited with
16 the secretary of administration department and disbursed after final determination
17 of the taxes as are amounts deposited under ss. 71.89 (1) and 71.90 (2).

18 **SECTION 2436.** 77.59 (9) of the statutes is amended to read:

19 77.59 (9) If any person fails to file a return, the department shall make an
20 estimate of the amount of the ~~gross receipts~~ sales price of the person person's sales,
21 or, as the case may be, of the amount of the total sales purchase price of tangible
22 personal property, specified digital goods, additional digital goods, or taxable service
23 sold or purchased by the person, the sale by or the storage, use, or other consumption
24 of which in this state is subject to sales or use tax. The estimate shall be made for
25 the period in respect to which the person failed to make a return and shall be based

1 upon any information which is in the department's possession or may come into its
2 possession. Upon the basis of this estimate the department shall compute and
3 determine the amount required to be paid to the state, adding to the sum thus arrived
4 at a penalty equal to 25% thereof. One or more such determinations may be made
5 for one or for more than one period. When a business is discontinued a determination
6 may be made at any time thereafter, within the periods specified in sub. (3), as to
7 liability arising out of that business.

8 **SECTION 2437.** 77.59 (9n) of the statutes is created to read:

9 77.59 (9n) (a) Notwithstanding s. 73.03 (47), no seller or certified service
10 provider is liable for tax, interest, or penalties imposed on a transaction under this
11 subchapter in the circumstances covered under sections 306, 328, and 502 of the
12 agreement, as defined in s. 77.65 (2) (a).

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

16 **SECTION 2438.** 77.59 (9p) (b) of the statutes is created to read:

17 77.59 (9p) (b) If a customer purchases a service that is not subject to 4 USC 116
18 to 126, as amended by P.L. 106-252, or tangible personal property, specified digital
19 goods, or additional digital goods, and if the customer believes that the amount of the
20 tax assessed for the sale of the service, property, or goods under this subchapter is
21 erroneous, the customer may request that the seller correct the alleged error by
22 sending a written notice to the seller. The notice shall include a description of the
23 alleged error and any other information that the seller reasonably requires to process
24 the request. Within 60 days from the date that a seller receives a request under this
25 paragraph, the seller shall review its records to determine the validity of the

1 customer's claim. If the review indicates that there is no error as alleged, the seller
2 shall explain the findings of the review in writing to the customer. If the review
3 indicates that there is an error as alleged, the seller shall correct the error and shall
4 refund the amount of any tax collected erroneously, along with the related interest,
5 as a result of the error from the customer, consistent with s. 77.59 (4). A customer
6 may take no other action against the seller, or commence any action against the
7 seller, to correct an alleged error in the amount of the tax assessed under this
8 subchapter on a service that is not subject to 4 USC 116 to 126, as amended by P.L.
9 106-252, or tangible personal property, specified digital goods, or additional digital
10 goods unless the customer has exhausted his or her remedies under this paragraph.

11 **SECTION 2439.** 77.59 (9r) of the statutes is created to read:

12 77.59 (9r) With regard to a purchaser's request for a refund under this section,
13 a seller is presumed to have reasonable business practices if the seller uses a certified
14 service provider, a certified automated system, as defined in s. 77.524 (1) (am), or a
15 proprietary system certified by the department to collect the taxes imposed under
16 this subchapter and if the seller has remitted to the department all taxes collected
17 under this subchapter, less any deductions, credits, or allowances.

18 **SECTION 2440.** 77.60 (13) of the statutes is created to read:

19 77.60 (13) A person who uses any of the following documents in a manner that
20 is prohibited by or inconsistent with this subchapter, or provides incorrect
21 information to a seller or certified service provider related to the use of such
22 documents or regarding an exemption to the taxes imposed under this subchapter,
23 shall pay a penalty of \$250 for each invoice or bill of sale related to the prohibited or
24 inconsistent use or incorrect information:

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

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

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

3 **SECTION 2441.** 77.61 (1) (b) of the statutes is amended to read:

4 77.61 (1) (b) In the case of ~~a motor vehicle~~ motor vehicles, boats, snowmobiles,
5 mobile homes not exceeding 45 feet in length, trailers, semitrailers, all-terrain
6 vehicles, or aircraft purchased from a licensed ~~Wisconsin motor vehicle dealer~~
7 retailer, the registrant shall present proof that the tax has been paid to such dealer
8 retailer.

9 **SECTION 2442.** 77.61 (1) (c) of the statutes is amended to read:

10 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, mobile homes
11 not exceeding 45 feet in length, trailers, semitrailers, all-terrain vehicles or aircraft
12 registered or titled, or required to be registered or titled, in this state purchased from
13 persons who are not ~~Wisconsin boat, trailer or semitrailer dealers, licensed~~
14 ~~Wisconsin aircraft, motor vehicle or mobile home dealers or registered Wisconsin~~
15 ~~snowmobile or all-terrain vehicle dealers~~ retailers, the purchaser shall file a sales
16 tax return and pay the tax prior to registering or titling the motor vehicle, boat,
17 snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,
18 all-terrain vehicle or aircraft in this state.

19 **SECTION 2443.** 77.61 (2) of the statutes is renumbered 77.61 (2) (intro.) and
20 amended to read:

21 77.61 (2) (intro.) In order to protect the revenue of the state:

22 (a) Except as provided in par. (b), the department may require any person who
23 is or will be liable to it for the tax imposed by this subchapter to place with it, before
24 or after a permit is issued, the security, not in excess of \$15,000, that the department
25 determines. In determining the amount of security to require under this subsection,

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1 the department may consider the person's payment of other taxes administered by
2 the department and any other relevant facts. If any taxpayer fails or refuses to place
3 that security, the department may refuse or revoke the permit. If any taxpayer is
4 delinquent in the payment of the taxes imposed by this subchapter, the department
5 may, upon 10 days' notice, recover the taxes, interest, costs and penalties from the
6 security placed with the department by the taxpayer in the following order: costs,
7 penalties, delinquent interest, delinquent tax. No interest may be paid or allowed
8 by the state to any person for the deposit of security. Any security deposited under
9 this subsection shall be returned to the taxpayer if the taxpayer has, for 24
10 consecutive months, complied with all the requirements of this subchapter.

11 **SECTION 2444.** 77.61 (2) (b) of the statutes is created to read:

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

1 shall remain in force until the secretary of revenue or the secretary's designee
2 releases the liability under the bond.

3 **SECTION 2445.** 77.61 (3) of the statutes is repealed.

4 **SECTION 2446.** 77.61 (3m) of the statutes is created to read:

5 **77.61 (3m)** A retailer shall use a straight mathematical computation to
6 determine the amount of the tax that the retailer may collect from the retailer's
7 customers. The retailer shall calculate the tax amount by combining the applicable
8 tax rates under this subchapter and subch. V and multiplying the combined tax rate
9 by the sales price or purchase price of each item or invoice, as appropriate. The
10 retailer shall calculate the tax amount to the 3rd decimal place, disregard tax
11 amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less
12 than 1 cent to be an additional cent. The use of a straight mathematical computation,
13 as provided in this subsection, shall not relieve the retailer from liability for payment
14 of the full amount of the tax levied under this subchapter.

15 **SECTION 2447.** 77.61 (4) (a) of the statutes is amended to read:

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

SECTION 2448

1 **SECTION 2448.** 77.61 (4) (c) of the statutes is amended to read:

2 77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax
3 imposed on the retailer under s. 77.53 (3) and the accounting connected with it,
4 retailers, not including certified service providers, may deduct 0.5% of those taxes
5 payable or \$10 for that reporting period required under s. 77.58 (1), whichever is
6 greater, but not more than the amount of the sales taxes or use taxes that is payable
7 under ss. 77.52 (1) and 77.53 (3) for that reporting period required under s. 77.58 (1),
8 as administration expenses if the payment of the taxes is not delinquent. For
9 purposes of calculating the retailer's discount under this paragraph, the taxes on
10 retail sales reported by retailers under subch. V, including taxes collected and
11 remitted as required under s. 77.785, shall be included if the payment of those taxes
12 is not delinquent.

13 **SECTION 2449.** 77.61 (5) (b) 11. of the statutes is amended to read:

14 77.61 (5) (b) 11. The department of workforce development children and
15 families or a county child support agency under s. 59.53 (5) in response to a request
16 under s. 49.22 (2m).

17 **SECTION 2450.** 77.61 (5m) of the statutes is created to read:

18 77.61 (5m) (a) In this subsection, "personally identifiable information" means
19 any information that identifies a person.

20 (b) A certified service provider may use personally identifiable information as
21 necessary only for the administration of its system to perform a seller's sales and use
22 tax functions and shall provide consumers clear and conspicuous notice of its practice
23 regarding such information, including what information it collects, how it collects
24 the information, how it uses the information, how long, if at all, it retains the

1 information, and under what circumstances it discloses the information to states
2 participating in the agreement, as defined in 77.65 (2) (a).

3 (c) A certified service provider may collect, use, and retain personally
4 identifiable information only to verify exemption claims, to investigate fraud, and to
5 ensure its system's reliability.

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

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

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

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

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

24 **SECTION 2451.** 77.61 (11) of the statutes is amended to read:

SECTION 2451

1 77.61 (11) Any city, village or town clerk or other official whose duty it is to issue
2 licenses or permits to engage in a business involving the sale at retail of tangible
3 personal property subject to tax under this subchapter, or the furnishing of services
4 so subject to tax, shall, before issuing such license or permit, require proof that the
5 person to whom such license or permit is to be issued is the holder of a seller's permit
6 as required by or is registered to collect, report, and remit use tax under this
7 subchapter or has been informed by an employee of the department that the
8 department will issue a seller's permit to that person or register that person to
9 collect, report, and remit use tax.

10 **SECTION 2452.** 77.61 (11) of the statutes, as affected by 2007 Wisconsin Act ...
11 (this act), is amended to read:

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

21 **SECTION 2453.** 77.61 (16) of the statutes is created to read:

22 77.61 (16) Any person who remits taxes and files returns under this subchapter
23 may designate an agent, as defined in s. 77.524 (1) (ag), to remit such taxes and file
24 such returns with the department in a manner prescribed by the department.

25 **SECTION 2454.** 77.63 of the statutes is repealed and recreated to read:

1 **77.63 Collection compensation.** The following persons may retain a portion
2 of sales and use taxes collected on retail sales under this subchapter and subch. V
3 in an amount determined by the department and by contracts that the department
4 enters into jointly with other states as a member state of the streamlined sales tax
5 governing board pursuant to the agreement, as defined in s. 77.65 (2) (a):

6 **(1)** A certified service provider.

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

9 **(3)** A seller that sells tangible personal property, specified digital goods,
10 additional digital goods, or taxable services in at least 5 states that are signatories
11 to the agreement, as defined in s. 77.65 (2) (a); that has total annual sales revenue
12 of at least \$500,000,000; that has a proprietary system that calculates the amount
13 of tax owed to each taxing jurisdiction in which the seller sells tangible personal
14 property, specified digital goods, additional digital goods, or taxable services; and
15 that has entered into a performance agreement with the states that are signatories
16 to the agreement, as defined in s. 77.65 (2) (a). For purposes of this subsection,
17 “seller” includes an affiliated group of sellers using the same proprietary system to
18 calculate the amount of tax owed in each taxing jurisdiction in which the sellers sell
19 tangible personal property, specified digital goods, additional digital goods, or
20 taxable services.

21 **SECTION 2455.** 77.65 (2) (c) of the statutes is repealed.

22 **SECTION 2456.** 77.65 (2) (e) of the statutes is amended to read:

23 77.65 (2) (e) “Seller” means any person who sells, leases, or rents tangible
24 personal property, specified digital goods, additional digital goods, or services.

25 **SECTION 2457.** 77.65 (2) (f) of the statutes is amended to read:

1 77.65 (2) (f) "State" means any state of the United States and, the District of
2 Columbia, and the Commonwealth of Puerto Rico.

3 **SECTION 2458.** 77.65 (4) (fm) of the statutes is created to read:

4 77.65 (4) (fm) Provide that a seller who registers with the central electronic
5 registration system under par. (f) may cancel the registration at any time, as
6 provided under uniform procedures adopted by the governing board of the states that
7 are signatories to the agreement, but is required to remit any Wisconsin taxes
8 collected pursuant to the agreement to the department.

9 **SECTION 2459.** 77.66 of the statutes is amended to read:

10 **77.66 Certification for collection of sales and use tax.** The secretary of
11 revenue shall determine and periodically certify to the secretary of administration
12 the names of persons, and affiliates, as defined in s. 16.70 (1b), of persons, who make
13 sales of tangible personal property, specified digital goods, additional digital goods,
14 and taxable services that are subject to the taxes imposed under this subchapter but
15 who are not registered to collect and remit such taxes to the department or, if
16 registered, do not collect and remit such taxes.

17 **SECTION 2460.** 77.67 of the statutes is created to read:

18 **77.67 Amnesty for new registrants. (1)** A seller is not liable for uncollected
19 and unpaid taxes, including penalties and interest, imposed under this subchapter
20 and subch. V on sales made to purchasers in this state before the seller registers
21 under par. (a), if all of the following apply:

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

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

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

8 (d) The seller has not received a notice of the commencement of an audit from
9 the department or, if the seller has received a notice of the commencement of an audit
10 from the department, the audit has not been resolved by any means, including any
11 related administrative and judicial processes, at the time that the seller registers
12 under par. (a).

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

15 (f) The seller collects and remits the taxes imposed under this subchapter and
16 subch. V on sales to purchasers in this state for at least 3 consecutive years after the
17 date on which the seller's collection obligation begins

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

20 **SECTION 2461.** 77.70 of the statutes is amended to read:

21 **77.70 Adoption by county ordinance.** Any county desiring to impose county
22 sales and use taxes under this subchapter may do so by the adoption of an ordinance,
23 stating its purpose and referring to this subchapter. The county sales and use taxes
24 may be imposed only for the purpose of directly reducing the property tax levy and
25 only in their entirety as provided in this subchapter. That ordinance shall be

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1 effective on the first day of January, the first day of April, the first day of July or the
2 first day of October. A certified copy of that ordinance shall be delivered to the
3 secretary of revenue at least 120 days prior to its effective date. The repeal of any
4 such ordinance shall be effective on December 31. A certified copy of a repeal
5 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before
6 the effective date of the repeal.

7 SECTION 2462. 77.705 of the statutes is amended to read:

8 **77.705 Adoption by resolution; baseball park district.** A local
9 professional baseball park district created under subch. III of ch. 229, by resolution
10 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at
11 a rate of no more than 0.1% of the ~~gross receipts or sales price or purchase price.~~
12 Those taxes may be imposed only in their entirety. The resolution shall be effective
13 on the first day of the first month January 1, April 1, July 1, or October 1 that begins
14 at least ~~30~~ 120 days after the adoption of the resolution. Any moneys transferred
15 from the appropriation account under s. 20.566 (1) (gd) to the appropriation account
16 under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt.

17 SECTION 2463. 77.706 of the statutes is amended to read:

18 **77.706 Adoption by resolution; football stadium district.** A local
19 professional football stadium district created under subch. IV of ch. 229, by
20 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
21 subchapter at a rate of 0.5% of the ~~gross receipts or sales price or purchase price.~~
22 Those taxes may be imposed only in their entirety. The imposition of the taxes under
23 this section shall be effective on the first day of the first month January 1, April 1,
24 July 1, or October 1 that begins at least ~~30~~ 120 days after the certification of the
25 approval of the resolution by the electors in the district's jurisdiction under s. 229.824

1 (15). Any moneys transferred from the appropriation account under s. 20.566 (1) (ge)
2 to the appropriation account under s. 20.835 (4) (ge) shall be used exclusively to retire
3 the district's debt.

4 **SECTION 2464.** 77.707 (1) of the statutes is amended to read:

5 **77.707 (1)** Retailers and the department of revenue may not collect a tax under
6 s. 77.705 for any local professional baseball park district created under subch. III of
7 ch. 229 after the last day of the calendar quarter during that is at least 120 days from
8 the date on which the local professional baseball park district board makes a
9 certification to the department of revenue under s. 229.685 (2), except that the
10 department of revenue may collect from retailers taxes that accrued before the day
11 after the last day of that calendar quarter and fees, interest and penalties that relate
12 to those taxes.

13 **SECTION 2465.** 77.707 (2) of the statutes is amended to read:

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

22 **SECTION 2466.** 77.71 (1) of the statutes is amended to read:

23 **77.71 (1)** For the privilege of selling, licensing, leasing or renting tangible
24 personal property, and the property and items specified under s. 77.52 (1) (b) to (d),
25 and for the privilege of selling, licensing, performing or furnishing services a sales

SECTION 2466

1 tax is imposed upon retailers at the rate of 0.5% in the case of a county tax or at the
2 rate under s. 77.705 or 77.706 in the case of a special district tax of the gross receipts
3 sales price from the sale, licensing, lease or rental of tangible personal property,
4 except property taxed under sub. (4), sold, licensed, leased or rented at retail in the
5 county or special district or from selling, licensing, performing or furnishing services
6 described under s. 77.52 (2) in the county or special district.

7 **SECTION 2467.** 77.71 (2) of the statutes is amended to read:

8 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax
9 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
10 purchase price upon every person storing, using or otherwise consuming in the
11 county or special district tangible personal property, property and items specified
12 under s. 77.52 (1) (b) to (d), or services if the property, item, or service is subject to
13 the state use tax under s. 77.53, except that a receipt indicating that the tax under
14 sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax under this
15 subsection and except that if the buyer has paid a similar local tax in another state
16 on a purchase of the same property, item, or services that tax shall be credited against
17 the tax under this subsection and except that for motor vehicles that are used for a
18 purpose in addition to retention, demonstration or display while held for sale in the
19 regular course of business by a dealer the tax under this subsection is imposed not
20 on the sales purchase price but on the amount under s. 77.53 (1m).

21 **SECTION 2468.** 77.71 (3) of the statutes is amended to read:

22 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
23 activities within the county or special district, at the rate of 0.5% in the case of a
24 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
25 of the sales purchase price of tangible personal property that is used in constructing,

1 altering, repairing or improving real property and that becomes a component part
2 of real property in that county or special district, except that if the contractor has
3 paid the sales tax of a county in the case of a county tax or of a special district in the
4 case of a special district tax in this state on that property, or has paid a similar local
5 sales tax in another state on a purchase of the same property, that tax shall be
6 credited against the tax under this subsection.

7 **SECTION 2469.** 77.71 (4) of the statutes is amended to read:

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

18 **SECTION 2470.** 77.72 (title) of the statutes is repealed.

19 **SECTION 2471.** 77.72 (1) of the statutes is renumbered 77.72 and amended to
20 read:

21 **77.72 General rule for property.** For the purposes of this subchapter, all
22 retail sales of tangible personal property ~~are completed at the time when, and the~~
23 ~~place where, the seller or the seller's agent transfers possession to the buyer or the~~
24 ~~buyer's agent. In this subsection, a common carrier or the U.S. postal service is the~~
25 ~~agent of the seller, regardless of any f.o.b. point and regardless of the method by~~

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1 ~~which freight or postage is paid. Rentals and leases of property, except property~~
2 ~~under sub. (2), have a situs at the location of that property, and property and items~~
3 ~~specified under s. 77.52 (1) (b) to (d), and taxable services occur as provided in s.~~
4 ~~77.522.~~

5 **SECTION 2472.** 77.72 (2) and (3) of the statutes are repealed.

6 **SECTION 2473.** 77.73 (2) of the statutes is amended to read:

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

14 **SECTION 2474.** 77.73 (3) of the statutes is created to read:

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

23 **SECTION 2475.** 77.75 of the statutes is amended to read:

24 **77.75 Reports.** Every person subject to county or special district sales and use
25 taxes shall, for each reporting period, record that person's sales made in the county

1 or special district that has imposed those taxes separately from sales made
2 elsewhere in this state and file a report of the measure of the county or special district
3 ~~sales and use taxes and the tax due thereon separately as prescribed by the~~
4 ~~department of revenue.~~

5 **SECTION 2476.** 77.77 (1) of the statutes is renumbered 77.77 (1) (a) and
6 amended to read:

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

17 **SECTION 2477.** 77.77 (1) (b) of the statutes is created to read:

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

SECTION 2478

1 **SECTION 2478.** 77.77 (2) of the statutes is repealed.

2 **SECTION 2479.** 77.785 (1) of the statutes is amended to read:

3 77.785 (1) All retailers shall collect and report the taxes under this subchapter
4 on the gross receipts sales price from leases and rentals of property, specified digital
5 goods, and additional digital goods under s. 77.71 (4).

6 **SECTION 2480.** 77.785 (2) of the statutes is amended to read:

7 77.785 (2) Prior to registration or titling, a retailer of a boat, all-terrain vehicle,
8 trailer and semi-trailer dealers and licensed aircraft, motor vehicle, or mobile home
9 and snowmobile dealers shall collect the taxes under this subchapter on sales of
10 items under s. 77.71 (4). The dealer retailer shall remit those taxes to the
11 department of revenue along with payments of the taxes under subch. III.

12 **SECTION 2481.** 77.89 (2) (b) of the statutes is amended to read:

13 77.89 (2) (b) The municipal treasurer shall pay all amounts received under s.
14 77.84 (2) (b) and (bm) to the county treasurer, as provided under ss. 74.25 and 74.30.
15 The county treasurer shall, by June 30 of each year, pay all amounts received under
16 this paragraph to the department. All amounts received by the department shall be
17 credited to the conservation fund and shall be reserved for land acquisition and,
18 resource management activities, and grants under s. 77.895.

19 **SECTION 2482.** 77.895 of the statutes is created to read:

20 **77.895 Grants for land acquisitions for outdoor activities. (1)**

21 DEFINITIONS. In this section:

22 (a) "Board" means the managed forest land board.

23 (b) "Land" means land in fee simple, conservation easements, and other
24 easements in land.

25 (c) "Local governmental unit" means a city, village, town, or county.

(d) "Nonprofit conservation organization" has the meaning given in s. 23.0955

(1).

(2) PROGRAM. The department shall establish a program to award grants to nonprofit conservation organizations, to local governmental units, and to itself to acquire land to be used for hunting, fishing, hiking, sightseeing, and cross-country skiing. The board shall administer the program and award the grants under the program.

(3) REQUIREMENTS. The department, in consultation with the board, shall promulgate rules establishing requirements for awarding grants under this section.

The rules promulgated under this subsection shall include all of the following:

(a) A requirement that the board give higher priority to counties over other grant applicants in awarding grants under this section.

(b) A requirement that, in awarding grants to counties under this section, the board give higher priority to counties that have higher numbers of acres that are designated as closed under s. 77.83.

(c) A requirement that, in awarding grants to towns under this section, the board give higher priority to towns that have higher numbers of acres that are designated as closed under s. 77.83.

(d) A requirement that no grant may be awarded under this section without it being approved by the board of each county in which the land to be acquired is located.

(e) Requirements concerning the use of sound forestry practices on land acquired under this section.

1 (4) USE OF LAND. Land acquired under this section may be used for purposes
2 in addition to those specified in sub. (2) if the additional uses are compatible with the
3 purposes specified in sub. (2).

4 **SECTION 2483.** 77.92 (4) of the statutes is amended to read:

5 77.92 (4) "Net business income," with respect to a partnership, means taxable
6 income as calculated under section 703 of the Internal Revenue Code; plus the items
7 of income and gain under section 702 of the Internal Revenue Code, including taxable
8 state and municipal bond interest and excluding nontaxable interest income or
9 dividend income from federal government obligations; minus the items of loss and
10 deduction under section 702 of the Internal Revenue Code, except items that are not
11 deductible under s. 71.21; plus guaranteed payments to partners under section 707
12 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
13 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3p), (3t), (3w), (5b), (5e),
14 (5f), (5g), and (5h), (5i), and (5j); and plus or minus, as appropriate, transitional
15 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),
16 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.

17 "Net business income," with respect to a natural person, estate, or trust, means profit
18 from a trade or business for federal income tax purposes and includes net income
19 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue
20 Code.

21 **SECTION 2484.** 77.98 of the statutes is amended to read:

22 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may
23 impose a tax on the retail sale, except sales for resale, within the district's
24 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~
25 ~~(e) 1. to 3. and not~~ candy, as defined in s. 77.51 (1fm), prepared food, as defined in s.

1 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the
2 sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) or (20) (e) 5., (20n) (b) and (c),
3 and (20r).

4 **SECTION 2485.** 77.981 of the statutes is amended to read:

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

14 **SECTION 2486.** 77.982 (2) of the statutes is amended to read:

15 **77.982 (2)** Sections 77.51 (4) (a), (b) 1., 2. and 4., (e) 1. to 3. and (d) (12m), (14)
16 (a) to (f), (j) and (k) and, (14g), (15a), and (15b), 77.52 (3), (6), (4), (13), (14), (18), and
17 (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5),
18 (8), (9), and (12) to (14) (15), and 77.62, as they apply to the taxes under subch. III,
19 apply to the tax under this subchapter. Sections 77.72 (1) and Section 77.73, as they
20 apply it applies to the taxes under subch. V, apply applies to the tax under this
21 subchapter.

22 **SECTION 2487.** 77.99 of the statutes is amended to read:

23 **77.99 Imposition.** A local exposition district under subch. II of ch. 229 may
24 impose a tax at the rate of 3% of the gross receipts sales price on the rental, but not
25 for rental and not for rental as a service or repair replacement vehicle, within the

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1 district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01
2 (4) (a), by establishments primarily engaged in short-term rental of passenger cars
3 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales
4 tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under
5 s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's
6 authorized board of directors may vote to increase the tax rate under this subchapter
7 to 4%.

8 **SECTION 2488.** 77.991 (2) of the statutes is amended to read:

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

17 **SECTION 2489.** 77.994 (1) (intro.) of the statutes is amended to read:

18 77.994 (1) (intro.) Except as provided in sub. (2), a municipality or a county all
19 of which is included in a premier resort area under s. 66.1113 may, by ordinance,
20 impose a tax at a rate of 0.5% of the gross receipts sales price from the sale, license,
21 lease, or rental in the municipality or county of goods or services that are taxable
22 under subch. III made by businesses that are classified in the standard industrial
23 classification manual, 1987 edition, published by the U.S. office of management and
24 budget, under the following industry numbers:

25 **SECTION 2490.** 77.9941 (4) of the statutes is amended to read:

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

4 **SECTION 2491.** 77.995 (2) of the statutes is repealed and recreated to read:

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

13 **SECTION 2492.** 77.9951 (2) of the statutes is amended to read:

14 77.9951 (2) Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (12m),
15 (14) (a) to (f), (j) and (k), (14g), (15a), and (15b), 77.52 (3), (4), (6), (13), (14) and (18),
16 and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m),
17 (5), (8), (9), and (12) to (14) (15), and 77.62, as they apply to the taxes under subch.
18 III, apply to the fee under this subchapter. The renter shall collect the fee under this
19 subchapter from the person to whom the vehicle is rented.

20 **SECTION 2493.** 77.996 (6) of the statutes is amended to read:

21 77.996 (6) "Gross receipts" has the meaning given in s. 77.51 (4) (a), (b) 1. and
22 5., (c) 1. to 4., and (d) means the sales price, as defined in s. 77.51 (15b), of tangible
23 personal property and taxable services sold by a dry cleaning facility. "Gross
24 receipts" does not include the license fee imposed under s. 77.9961 (1m) that is passed
25 on to customers.

1 (3) "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

2 (4) "Related party" means a person whose relationship with the supplier is
3 described under section 267 (b) of the Internal Revenue Code.

4 (5) "Supplier" has the meaning given in s. 78.005 (14).

5 (6) "Terminal operator" has the meaning given in s. 78.005 (16).

6 **77.9981 Imposition.** (1) For the privilege of doing business in this state, there
7 is imposed an assessment on each supplier at the rate of 2.5 percent of the supplier's
8 gross receipts in each calendar quarter that are derived from the first sale in this
9 state of motor vehicle fuel received by the supplier for sale in this state, for sale for
10 export to this state, or for export to this state.

11 (2) Any person, including a terminal operator, who is not a licensee under s.
12 78.09 and who either used any motor vehicle fuel in this state or has possession of
13 any motor vehicle fuel, other than that contained in a motor vehicle's fuel tank, for
14 which the assessment under this subchapter has not been paid or for which no
15 supplier has incurred liability for paying the assessment, shall file a report, in the
16 manner described by the department, and pay the assessment based on the purchase
17 price of the motor vehicle fuel.

18 **77.9982 Administration.** (1) The department shall administer the
19 assessment under this subchapter and may take any action, conduct any proceeding,
20 and impose interest and penalties.

21 (2) The assessments imposed under this subchapter for each calendar quarter
22 are due and payable on the last day of the month next succeeding the calendar
23 quarter for which the assessments are imposed, as provided by the department by
24 rule.

1 (3) For purposes of determining the amount of the assessment imposed under
2 this subchapter, income derived from the first sale in this state of biodiesel fuel or
3 of ethanol blended with gasoline to create gasoline consisting of at least 85 percent
4 ethanol is not included in the supplier's gross receipts. For purposes of determining
5 the amount of the assessment imposed under this subchapter, with regard to a
6 transfer of motor vehicle fuel from a supplier to a related party, the point of first sale
7 in this state is the date of such transfer, and the gross receipts are calculated on a
8 monthly basis using an index determined by rule by the department. For purposes
9 of this subchapter, there is only one point of first sale in this state with regard to the
10 sale of the same motor vehicle fuel.

11 (4) No supplier who is subject to the assessment imposed under this subchapter
12 shall take any action to increase or influence the selling price of motor vehicle fuel
13 in order to recover the amount of the assessment. A supplier who takes any action
14 to increase or influence the selling price of motor vehicle fuel to recover the amount
15 of the assessment is subject to a penalty equal to the amount of the gain the supplier
16 received from any increase in the selling price that is implemented in order to recover
17 the assessment amount or imprisonment of not more than 6 months, or both.

18 (5) At the secretary of revenue's request, the attorney general may represent
19 this state, or assist a district attorney, in prosecuting any case arising under this
20 subchapter.

21 (6) In addition to any other audits the department conducts to administer and
22 enforce this subchapter, the department may audit any supplier who is subject to the
23 assessment imposed under this subchapter to determine whether the supplier has
24 taken any action to increase or influence the selling price of motor vehicle fuel in
25 order to recover the amount of the assessment. Annually, the department shall

1 submit a report to the governor and the legislature, as provided under s. 13.172 (2),
2 that contains information on all audits conducted under this subsection in the
3 previous year.

4 (7) (a) Sections 71.74 (1) to (3), (5), (7), and (9) to (15), 71.75 (1), (2), (6), (7), and
5 (9), 71.77 (1) and (4) to (8), 71.78 (1) to (4) and (5) to (8), 71.80 (1) (a) and (b), (4) to
6 (6), (8) to (12), (14), (17), and (18), 71.82 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2.
7 and (b) 1., 2., and 6., (2) (a) 1. to 3. and (b) 1. to 3., and (3), 71.87, 71.88, 71.89, 71.90,
8 71.91 (1) (a), (2), (3), and (4) to (7), 71.92, and 71.93 as they apply to the taxes under
9 ch. 71 apply to the assessment under this subchapter.

10 (b) Section 78.01 (2) (a) and (b), and (2m) (a) and (b), as it applies to the tax
11 imposed under s. 78.01 (1), applies to the assessment imposed under this subchapter.

12 (8) The department shall deposit all revenue collected under this subchapter
13 into the transportation fund.

14 SECTION 2497. 79.01 (1) of the statutes is amended to read:

15 79.01 (1) There is established an account in the general fund entitled the
16 "Expenditure Restraint Program Account." There shall be appropriated to that
17 account \$25,000,000 in 1991, in 1992, and in 1993; \$42,000,000 in 1994; \$48,000,000
18 in each year beginning in 1995 and ending in 1999; \$57,000,000 in the year 2000 and
19 in the year 2001; \$57,570,000 in 2002; and \$58,145,700 in 2003 and in each year
20 thereafter, ending in 2008.

21 SECTION 2498. 79.01 (2d) of the statutes is amended to read:

22 79.01 (2d) There is established an account in the general fund entitled the
23 "County and Municipal Aid Account."

24 SECTION 2499. 79.01 (5) of the statutes is created to read:

1 79.01 (5) There is established an account in the general fund entitled the
2 "County Levy Restraint Payment Account." There shall be appropriated to that
3 account \$15,000,000 in 2009 and in each year thereafter.

4 **SECTION 2500.** 79.01 (5b) of the statutes is created to read:

5 79.01 (5b) There is established an account in the general fund entitled the
6 "Municipal Levy Restraint Payment Account." There shall be appropriated to that
7 account \$58,145,700 in 2009 and in each year thereafter.

8 **SECTION 2501.** 79.01 (6) of the statutes is created to read:

9 79.01 (6) There is established an account in the general fund entitled the
10 "County Levy Restraint Bonus Payment Account." There shall be appropriated to
11 that account \$10,000,000 in 2009 and in each year thereafter.

12 **SECTION 2502.** 79.01 (6b) of the statutes is created to read:

13 79.01 (6b) There is established an account in the general fund entitled the
14 "Municipal Levy Restraint Bonus Payment Account." There shall be appropriated
15 to that account \$5,000,000 in 2009 and in each year thereafter.

16 **SECTION 2503.** 79.015 of the statutes is amended to read:

17 **79.015 Statement of estimated payments.** The department of revenue, on
18 or before September 15 of each year, shall provide to each municipality and county
19 a statement of estimated payments to be made in the next calendar year to the
20 municipality or county under ss. 79.03, 79.035, 79.04, 79.05, 79.051, 79.052, 79.058,
21 and 79.06.

22 **SECTION 2504.** 79.02 (2) (b) of the statutes is amended to read:

23 79.02 (2) (b) Subject to ss. 59.605 (4) and 70.995 (14) (b), payments in July shall
24 equal 15% of the municipality's or county's estimated payments under ss. 79.03,

1 79.035, 79.04, 79.058, and 79.06 and 100% of the municipality's or county's estimated
2 payments under ~~s. ss.~~ ss. 79.05, 79.051, and 79.052.

3 **SECTION 2505.** 79.035 (1) of the statutes is amended to read:

4 **79.035 (1)** In 2004 and subsequent years, each county and municipality shall
5 receive a payment ~~from the county and municipal aid account~~ in an amount
6 determined under sub. (2).

7 **SECTION 2506.** 79.043 (5) of the statutes is amended to read:

8 **79.043 (5)** Except as provided under s. 79.02 (3) (e), for the distribution
9 distributions beginning in 2005 and subsequent years ending in 2007, each county
10 and municipality shall receive a payment under this section and s. 79.035 that is
11 equal to the amount of the payment determined for the county or municipality under
12 this section and s. 79.035 in 2004.

13 **SECTION 2507.** 79.043 (6) of the statutes is created to read:

14 **79.043 (6) (a)** Except as provided under s. 79.02 (3) (e), in 2008, the total
15 amount to be distributed to counties and municipalities under this section and s.
16 79.035 is the total amount distributed to counties and municipalities under this
17 section and s. 79.035 in 2007, plus \$15,000,000. For purposes of this paragraph, each
18 county and municipality shall receive an increased payment under this section and
19 s. 79.035 so that the payment to each county and municipality is proportionate to its
20 share of all payments under this section and s. 79.035 in 2007.

21 **(b)** Except as provided under s. 79.02 (3) (e), in 2009 and subsequent years, each
22 county and municipality shall receive a payment under this section and s. 79.035
23 that is equal to the amount of the payment determined for the county or municipality
24 under this section and s. 79.035 in 2008.

25 **SECTION 2508.** 79.05 (7) of the statutes is created to read:

1 79.05 (7) Beginning in 2009, no municipality may receive a payment under this
2 section.

3 SECTION 2509. 79.051 of the statutes is created to read:

4 79.051 Municipal levy restraint program. (1) DEFINITIONS. In this section:

5 (a) "Debt service" includes debt service on debt issued or reissued to fund or
6 refund outstanding municipal obligations, interest on outstanding municipal
7 obligations, and related issuance costs and redemption premiums.

8 (b) "Inflation factor" means a percentage equal to the average annual
9 percentage change in the U.S. consumer price index for all urban consumers, U.S.
10 city average, as determined by the U.S. department of labor, for the 12 months
11 ending on June 30 of the year before the statement under s. 79.015.

12 (c) "Maximum allowable levy" means the municipal tax levy for the year before
13 the statement under s. 79.015, as adjusted under sub. (5), multiplied by the sum of
14 one plus 85 percent of the inflation factor and 85 percent of the valuation factor,
15 rounded to the nearest 0.01 percent.

16 (d) "Municipal tax levy" means the amounts reported as the total taxes levied
17 for each town, village, or city on the statement of taxes filed with the department of
18 revenue under s. 73.10, not including the incremental levy for municipal tax
19 incremental financing districts and the incremental levy for county environmental
20 tax financing districts.

21 (e) "Municipal tax rate" means the municipal tax levy divided by the taxable
22 value.

23 (f) "Taxable value" means the equalized assessed value of all property located
24 in the municipality, as determined under s. 70.57, excluding the value of any tax
25 increments under s. 66.1105.

1 (g) "Valuation factor" means a percentage equal to 60 percent of the percentage
2 change in the municipality's equalized value under s. 70.57 due to new construction
3 less improvements removed between the year before the statement under s. 79.015
4 and the previous year, but not less than zero nor greater than 2.

5 (2) ELIGIBILITY. A municipality is eligible to receive a payment under sub. (4)
6 if it fulfills all of the following requirements:

7 (a) The municipality's municipal tax rate for the year before the statement
8 under s. 79.015 is greater than 5 mills.

9 (b) The municipality's municipal tax levy for the year of the statement under
10 s. 79.015 is no greater than the municipality's maximum allowable levy.

11 (3) CONSUMER PRICE INDEX. Annually, on August 1, the department of revenue
12 shall certify to the joint committee on finance the appropriate percentage change in
13 the consumer price index that is to be used to determine the inflation factor.

14 (4) PAYMENTS. (a) Beginning in 2009, each municipality that is eligible under
15 sub. (2) shall receive a payment calculated by the department of revenue as follows:

16 1. Subtract 5 mills from the municipality's municipal tax rate.

17 2. Multiply the amount determined under subd. 1. by the municipality's
18 taxable value.

19 3. Divide the amount determined under subd. 2. by the total of the amounts
20 under subd. 2. for all municipalities that are eligible for a payment under sub. (2).

21 4. Multiply the amount determined under subd. 3. by \$58,145,700.

22 (b) Each municipality that is eligible under sub. (2) shall receive an additional
23 payment calculated by the department of revenue as follows:

24 1. Subtract the municipal tax levy, as determined under par. (a) 1., from the
25 municipality's maximum allowable levy.

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1 2. Divide the amount determined under subd. 1. by the total of the amounts
2 under subd. 1. for all municipalities that are eligible for a payment under sub. (2).

3 3. Multiply the amount determined under subd. 2. by \$10,000,000.

4 (5) ADJUSTMENTS. For purposes of determining eligibility for and the amount
5 of the payments under this section:

6 (a) If a municipality transfers to another governmental unit responsibility for
7 providing any service that the municipality provided in the preceding year, its
8 municipal tax levy for the preceding year shall be decreased to reflect the amount
9 that the municipality levied to provide that service, as determined by the department
10 of revenue.

11 (b) If a municipality increases the services that it provides by adding
12 responsibility for providing a service transferred to it from another governmental
13 unit in any year, its municipal tax levy for the preceding year shall be increased to
14 reflect the cost of that service, as determined by the department of revenue.

15 (c) If in any year a municipality's distribution under s. 79.043 (5) is less than
16 the municipality's distribution under s. 79.043 (5) in the previous year, the
17 municipality's maximum allowable levy shall be increased to reflect the reduction in
18 the distribution.

19 (d) The maximum allowable levy otherwise applicable under this section does
20 not apply to amounts levied by a municipality for the payment of any general
21 obligation debt service, including debt service on debt issued or reissued to fund or
22 refund outstanding obligations of the municipality, interest on outstanding
23 obligations of the political subdivision, or the payment of related issuance costs or
24 redemption premiums, secured by the full faith and credit of the municipality.

25 **SECTION 2510.** 79.052 of the statutes is created to read:

1 **79.052 County levy restraint program. (1) DEFINITIONS.** In this section:

2 (a) "County tax levy" means the sum for all municipalities in the county of the
3 amounts reported as total county taxes levied on the statement of taxes filed with the
4 department of revenue under s. 73.10, not including any taxes levied under s.
5 115.817 (9).

6 (b) "County tax rate" means the county tax levy divided by the equalized
7 assessed value of all property located in the county, as determined under s. 70.57,
8 excluding the value of any tax increments under s. 66.1105.

9 (bm) "Debt service" includes debt service on debt issued or reissued to fund or
10 refund outstanding county obligations, interest on outstanding county obligations,
11 and related issuance costs and redemption premiums.

12 (c) "Inflation factor" means a percentage equal to the average annual
13 percentage change in the U.S. consumer price index for all urban consumers, U.S.
14 city average, as determined by the U.S. department of labor, for the 12 months
15 ending on June 30 of the year before the statement under s. 79.015.

16 (d) "Maximum allowable levy" means the county tax levy for the year before the
17 statement under s. 79.015, as adjusted under sub. (5), multiplied by the sum of one
18 plus 85 percent of the inflation factor and 85 percent of the valuation factor, rounded
19 to the nearest 0.01 percent.

20 (e) "Valuation factor" means a percentage equal to 60 percent of the percentage
21 change in the county's equalized value under s. 70.57 due to new construction less
22 improvements removed between the year before the statement under s. 79.015 and
23 the previous year, but not less than zero nor greater than 2.

1 (2) ELIGIBILITY. A county is eligible to receive a payment under sub. (4) if the
2 county's county tax levy for the year of the statement under s. 79.015 is no greater
3 than the county's maximum allowable levy.

4 (3) CONSUMER PRICE INDEX. Annually, on August 1, the department of revenue
5 shall certify to the joint committee on finance the appropriate percentage change in
6 the consumer price index that is to be used to determine the inflation factor.

7 (4) PAYMENTS. (a) Beginning in 2009, each county that is eligible under sub.
8 (2) shall receive a payment calculated by the department of revenue as follows:

9 1. Determine the county tax levy for the county.
10 2. Divide the amount determined under subd. 1. by the total of the amounts
11 under subd. 1. for all counties that are eligible for a payment under sub. (2).

12 3. Multiply the amount determined under subd. 2. by \$25,000,000.

13 (b) Beginning in 2009, each county that is eligible under sub. (2) shall receive
14 an additional payment calculated by the department of revenue as follows:

15 1. Subtract the county tax levy, as determined under par. (a) 1., from the
16 county's maximum allowable levy.

17 2. Divide the amount determined under subd. 1. by the total of the amounts
18 under subd. 1. for all counties that are eligible for a payment under sub. (2).

19 3. Multiply the amount determined under subd. 2. by \$10,000,000.

20 (5) ADJUSTMENTS. For purposes of determining eligibility for and the amount
21 of the payments under this section:

22 (a) If a county transfers to another governmental unit responsibility for
23 providing any service that the county provided in the preceding year, its county tax
24 levy for the preceding year shall be decreased to reflect the amount that the county
25 levied to provide that service, as determined by the department of revenue.

1 (b) If a county increases the services that it provides by adding responsibility
2 for providing a service transferred to it from another governmental unit in any year,
3 its county tax levy for the preceding year shall be increased to reflect the cost of that
4 service, as determined by the department of revenue.

5 (c) If in any year a county's distribution under s. 79.043 (5) is less than the
6 county's distribution under s. 79.043 (5) in the previous year, the county's maximum
7 allowable levy shall be increased to reflect the reduction in the distribution.

8 (d) The maximum allowable levy otherwise applicable under this section does
9 not apply to amounts levied by a county for the payment of any general obligation
10 debt service, including debt service on debt issued or reissued to fund or refund
11 outstanding obligations of the county, interest on outstanding obligations of the
12 county, or the payment of related issuance costs or redemption premiums, secured
13 by the full faith and credit of the county.

14 **SECTION 2511.** 79.10 (1m) (b) of the statutes is amended to read:

15 79.10 (1m) (b) Counties and municipalities shall submit to the department of
16 revenue all data related to the lottery and gaming credit and the first dollar credit
17 as requested by the department of revenue.

18 **SECTION 2512.** 79.10 (2) of the statutes is renumbered 79.10 (2) (a) and
19 amended to read:

20 79.10 (2) (a) NOTICE TO MUNICIPALITIES. On or before December 1 of the year
21 preceding the distribution under sub. (7m) (a), the department of revenue shall
22 notify the clerk of each town, village and city of the estimated fair market value, as
23 determined under sub. (11) (c), to be used to calculate the lottery and gaming credit
24 under sub. (5) and of the amount to be distributed to it under sub. (7m) (a) on the
25 following 4th Monday in July. The anticipated receipt of such distribution shall not

1 be taken into consideration in determining the tax rate of the municipality but shall
2 be applied as tax credits.

3 **SECTION 2513.** 79.10 (2) (b) of the statutes is created to read:

4 79.10 (2) (b) On or before December 1 of the year preceding the distribution
5 under sub. (7m) (c), the department of revenue shall notify the clerk of each town,
6 village, and city of the estimated fair market value, as determined under sub. (11)
7 (d), used to calculate the first dollar credit under sub. (5m) and of the amount to be
8 distributed to it under sub. (7m) (c) on the following 4th Monday in July. The
9 anticipated receipt of such distribution shall not be taken into consideration in
10 determining the tax rate of the municipality but shall be applied as tax credits.

11 **SECTION 2514.** 79.10 (4) of the statutes is amended to read:

12 79.10 (4) SCHOOL LEVY TAX CREDIT. The Except as provided in sub. (5m), the
13 amount appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in
14 proportion to their share of the sum of average school tax levies for all municipalities.

15 **SECTION 2515.** 79.10 (5) of the statutes is amended to read:

16 79.10 (5) LOTTERY AND GAMING CREDIT. Each municipality shall receive, from the
17 appropriation under s. 20.835 (3) (q), an amount determined by multiplying the
18 school tax rate by the estimated fair market value, not exceeding the value
19 determined under sub. (11) (c), of every principal dwelling that is located in the
20 municipality and for which a claim for the credit under sub. (9) (bm) is made by the
21 owner of the principal dwelling.

22 **SECTION 2516.** 79.10 (5m) of the statutes is created to read:

23 79.10 (5m) FIRST DOLLAR CREDIT. Each municipality shall receive, from the
24 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
25 school tax rate by the estimated fair market value, not exceeding the value