

1           77.52 (2) (a) 11. The producing, fabricating, processing, printing or imprinting  
2 of tangible personal property, items and property under sub. (1) (b) and (c), specified  
3 digital goods, and additional digital goods for a consideration for consumers who  
4 furnish directly or indirectly the materials used in the producing, fabricating,  
5 processing, printing or imprinting. This subdivision does not apply to the printing  
6 or imprinting of tangible personal property, items and property under sub. (1) (b) and  
7 (c), specified digital goods, and additional digital goods that results in printed  
8 material, catalogs, or envelopes that are exempt under s. 77.54 (25) or (25m).

9           **SECTION 2298.** 77.52 (2) (a) 13m. of the statutes is created to read:

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

17           **SECTION 2299.** 77.52 (2m) (a) of the statutes is amended to read:

18           77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part  
19 of the charge for the service may be deemed a sale or rental of tangible personal  
20 property, items or property under sub. (1) (b) or (c), specified digital goods, or  
21 additional digital goods, if the property, items, or digital goods transferred by the  
22 service provider is are incidental to the selling, performing or furnishing of the  
23 service, except as provided in par. (b).

24           **SECTION 2300.** 77.52 (2m) (b) of the statutes is amended to read:



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

8           **SECTION 2301.** 77.52 (3m) of the statutes is repealed.

9           **SECTION 2302.** 77.52 (3n) of the statutes is repealed.

10          **SECTION 2303.** 77.52 (4) of the statutes is amended to read:

11          77.52 (4) It is unlawful for any retailer to advertise or hold out or state to the  
12          public or to any customer, directly or indirectly, that the tax or any part thereof will  
13          be assumed or absorbed by the retailer or that it will not be added to the selling price  
14          of the property, items or property under sub. (1) (b) or (c), specified digital goods, or  
15          additional digital goods sold or that if added it, or any part thereof, will be refunded.

16          Any person who violates this subsection is guilty of a misdemeanor.

17          **SECTION 2304.** 77.52 (6) of the statutes is repealed.

18          **SECTION 2305.** 77.52 (7) of the statutes is amended to read:

19          77.52 (7) Every person desiring to operate as a seller within this state who  
20          holds a valid certificate under s. 73.03 (50) shall file with the department an  
21          application for a permit for each place of operations. Every application for a permit  
22          shall be made upon a form prescribed by the department and shall set forth the name  
23          under which the applicant intends to operate, the location of the applicant's place of  
24          operations, and the other information that the department requires. The Except as  
25          provided in sub. (7b), the application shall be signed by the owner if a sole proprietor;

1 in the case of sellers other than sole proprietors, the application shall be signed by  
2 the person authorized to act on behalf of such sellers. A nonprofit organization that  
3 has gross receipts a sales price taxable under s. 77.54 (7m) shall obtain a seller's  
4 permit and pay taxes under this subchapter on all taxable gross receipts sales prices  
5 received after it is required to obtain that permit. If that organization becomes  
6 eligible later for the exemption under s. 77.54 (7m) except for its possession of a  
7 seller's permit, it may surrender that permit.

8 **SECTION 2306.** 77.52 (7b) of the statutes is created to read:

9 **77.52 (7b)** Any person who may register under sub. (7) may designate an agent,  
10 as defined in s. 77.524 (1) (ag), to register with the department under sub. (7), in the  
11 manner prescribed by the department.

12 **SECTION 2307.** 77.52 (12) of the statutes is amended to read:

13 **77.52 (12)** A person who operates as a seller in this state without a permit or  
14 after a permit has been suspended or revoked or has expired, unless the person has  
15 a temporary permit under sub. (11), and each officer of any corporation, partnership  
16 member, limited liability company member, or other person authorized to act on  
17 behalf of a seller who so operates, is guilty of a misdemeanor. Permits shall be held  
18 only by persons actively operating as sellers of tangible personal property, items or  
19 property under sub. (1) (b) or (c), specified digital goods, additional digital goods, or  
20 taxable services. Any person not so operating shall forthwith surrender that person's  
21 permit to the department for cancellation. The department may revoke the permit  
22 of a person found not to be actively operating as a seller of tangible personal property,  
23 items or property under sub. (1) (b) or (c), specified digital goods, additional digital  
24 goods, or taxable services.

25 **SECTION 2308.** 77.52 (13) of the statutes is amended to read:

1           77.52 (13) For the purpose of the proper administration of this section and to  
2       prevent evasion of the sales tax it shall be presumed that all receipts are subject to  
3       the tax until the contrary is established. The burden of proving that a sale of tangible  
4       personal property, items or property under sub. (1) (b) or (c), specified digital goods,  
5       additional digital goods, or services is not a taxable sale at retail is upon the person  
6       who makes the sale unless that person takes from the purchaser ~~a~~ an electronic or  
7       a paper certificate, in a manner prescribed by the department, to the effect that the  
8       property, items or property under sub. (1) (b) or (c), digital good, or service is  
9       purchased for resale or is otherwise exempt, except that no certificate is required for  
10      sales of cattle, sheep, goats, and pigs that are sold at an animal market, as defined  
11      in s. 95.68 (1) (ag), and no certificate is required for sales of commodities, as defined  
12      in 7 USC 2, that are consigned for sale in a warehouse in or from which the  
13      commodity is deliverable on a contract for future delivery subject to the rules of a  
14      commodity market regulated by the U.S. commodity futures trading commission if  
15      upon the sale the commodity is not removed from the warehouse the sale of tangible  
16      personal property, items and property under sub. (1) (b) and (c), specified digital  
17      goods, additional digital goods, and services that are exempt under s. 77.54 (7), (7m),  
18      (8), (10), (11), (14), (15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42),  
19      (44), (45), (46), (51), and (52), except as provided in s. 77.54 (30) (e) and (f).

20           **SECTION 2309.** 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are  
21      consolidated, renumbered 77.52 (14) (a) and amended to read:

22           77.52 (14) (a) The certificate referred to in sub. (13) relieves the seller from the  
23      burden of proof of the tax otherwise applicable only if any of the following is true:  
24      1. The certificate is taken in good faith the seller obtains a fully completed exemption  
25      certificate, or the information required to prove the exemption, from a person who

1 is engaged as a seller of tangible personal property or taxable services and who holds  
2 the permit provided for in sub. (9) and who, at the time of purchasing purchaser no  
3 later than 90 days after the date of the sale of the tangible personal property, items  
4 or property under sub. (1) (b) or (c), specified digital goods, additional digital goods,  
5 or services, intends to sell it in the regular course of operations or is unable to  
6 ascertain at the time of purchase whether the property or service will be sold or will  
7 be used for some other purpose. (b) except as provided in par. (am). The certificate  
8 under sub. (13) shall not relieve the seller of the tax otherwise applicable if the seller  
9 fraudulently fails to collect sales tax, solicits the purchaser to claim an unlawful  
10 exemption, accepts an exemption certificate from a purchaser who claims to be an  
11 entity that is not subject to the taxes imposed under this subchapter, if the subject  
12 of the transaction sought to be covered by the exemption certificate is received by the  
13 purchaser at a location operated by the seller in this state and the exemption  
14 certificate clearly and affirmatively indicates that the claimed exemption is not  
15 available in this state. The certificate referred to in sub. (13) shall be signed by and  
16 bear the name and address of provide information that identifies the purchaser, and  
17 shall indicate the general character of the tangible personal property or service sold  
18 by the purchaser and the basis for the claimed exemption and a paper certificate  
19 shall be signed by the purchaser. The certificate shall be in such form as the  
20 department prescribes by rule.

21 **SECTION 2310.** 77.52 (14) (a) 2. of the statutes is repealed.

22 **SECTION 2311.** 77.52 (14) (am) of the statutes is created to read:

23 77.52 (14) (am). If the seller has not obtained a fully completed exemption  
24 certificate or the information required to prove the exemption, as provided in par. (a),  
25 the seller may, no later than 120 days after the department requests that the seller

1 substantiate the exemption, either provide proof of the exemption to the department  
2 by other means or obtain, in good faith, a fully completed exemption certificate from  
3 the purchaser.

4 **SECTION 2312.** 77.52 (15) of the statutes is amended to read:

5 77.52 (15) If a purchaser who gives a resale certificate purchases tangible  
6 personal property, items or property under sub. (1) (b) or (c), specified digital goods,  
7 additional digital goods, or taxable services without paying a sales tax or use tax on  
8 such purchase because such property, items, goods, or services were for resale makes  
9 any use of the property, items, goods, or services other than retention, demonstration  
10 or display while holding it the property, items, goods, or services for sale, lease or  
11 rental in the regular course of the purchaser's operations, the use shall be taxable  
12 to the purchaser under s. 77.53 as of the time that the property is, items, goods, or  
13 services are first used by the purchaser, and the sales purchase price of the property,  
14 items, goods, or services to the purchaser shall be the measure of the tax. Only when  
15 there is an unsatisfied use tax liability on this basis because the seller has provided  
16 incorrect information about that transaction to the department shall the seller be  
17 liable for sales tax with respect to the sale of the property to the purchaser.

18 **SECTION 2313.** 77.52 (16) of the statutes is amended to read:

19 77.52 (16) Any person who gives a resale certificate for property, items or  
20 property under sub. (1) (b) or (c), specified digital goods, additional digital goods, or  
21 services which that person knows at the time of purchase is not to be resold by that  
22 person in the regular course of that person's operations as a seller for the purpose of  
23 evading payment to the seller of the amount of the tax applicable to the transaction  
24 is guilty of a misdemeanor. Any person certifying to the seller that the sale of  
25 property, items or property under sub. (1) (b) or (c), specified digital goods, additional

1 digital goods, or taxable service is exempt, knowing at the time of purchase that it  
2 is not exempt, for the purpose of evading payment to the seller of the amount of the  
3 tax applicable to the transaction, is guilty of a misdemeanor.

4 **SECTION 2314.** 77.52 (19) of the statutes is amended to read:

5 77.52 (19) The department shall by rule provide for the efficient collection of  
6 the taxes imposed by this subchapter on sales of property, items or property under  
7 sub. (1) (b) or (c), specified digital goods, additional digital goods, or services by  
8 persons not regularly engaged in selling at retail in this state or not having a  
9 permanent place of business, but who are temporarily engaged in selling from  
10 trucks, portable roadside stands, concessions at fairs and carnivals, and the like. The  
11 department may authorize such persons to sell property, items or property under  
12 sub. (1) (b) or (c), specified digital goods, or additional digital goods or sell, perform,  
13 or furnish services on a permit or nonpermit basis as the department by rule  
14 prescribes and failure of any person to comply with such rules constitutes a  
15 misdemeanor.

16 **SECTION 2315.** 77.52 (20) of the statutes is created to read:

17 77.52 (20) (a) Except as provided in par. (b), the entire sales price of a bundled  
18 transaction is subject to the tax imposed under this subchapter.

19 (b) At the retailer's option, if the retailer can identify, by reasonable and  
20 verifiable standards from the retailer's books and records that are kept in the  
21 ordinary course of its business for other purposes, including purposes unrelated to  
22 taxes, the portion of the price that is attributable to products that are not subject to  
23 the tax imposed under this subchapter, that portion of the sales price is not taxable  
24 under this subchapter. This paragraph does not apply to a bundled transaction that

1 contains food and food ingredients, drugs, durable medical equipment, mobility  
2 enhancing equipment, prosthetic devices, or medical supplies.

3 **SECTION 2316.** 77.52 (21) of the statutes is created to read:

4 77.52 (21) A person who provides a product that is not a distinct and  
5 identifiable product because it is provided free of charge, as provided in s. 77.51 (3pf)  
6 (b), is the consumer of that product and shall pay the tax imposed under this  
7 subchapter on the purchase price of that product.

8 **SECTION 2317.** 77.52 (22) of the statutes is created to read:

9 77.52 (22) With regard to transactions described in s. 77.51 (1f) (b), the service  
10 provider is the consumer of the tangible personal property, items or property under  
11 sub. (1) (b) or (c), specified digital goods, or additional digital goods and shall pay the  
12 tax imposed under this subchapter on the purchase price of the property, items, or  
13 goods.

14 **SECTION 2318.** 77.52 (23) of the statutes is created to read:

15 77.52 (23) With regard to transactions described in s. 77.51 (1f) (c), the service  
16 provider is the consumer of the service that is essential to the use or receipt of the  
17 other service and shall pay the tax imposed under this subchapter on the purchase  
18 price of the service that is essential to the use or receipt of the other service.

19 **SECTION 2319.** 77.522 of the statutes is created to read:

20 **77.522 Sourcing.** (1) GENERAL. (a) In this section:

21 1. "Direct mail form" means a form for direct mail prescribed by the  
22 department.

23 2. "Receive" means taking possession of tangible personal property or items or  
24 property under s. 77.52 (1) (b) or (c), making first use of services; or taking possession  
25 or making first use of digital goods, whichever comes first. "Receive" does not include



1 a shipping company taking possession of tangible personal property or items or  
2 property under s. 77.52 (1) (b) or (c) on a purchaser's behalf.

3 3. "Transportation equipment" means any of the following:

4 a. Locomotives and railcars that are used to carry persons or property in  
5 interstate commerce.

6 b. Trucks and truck tractors that have a gross vehicle weight rating of 10,001  
7 pounds or greater, trailers, semitrailers, and passenger buses, if such vehicles are  
8 registered under the international registration plan and operated under the  
9 authority of a carrier that is authorized by the federal government to carry persons  
10 or property in interstate commerce.

11 c. Aircraft that is operated by air carriers that are authorized by the federal  
12 government or a foreign authority to carry persons or property in interstate or  
13 foreign commerce.

14 d. Containers that are designed for use on the vehicles described in subd. 4. a.  
15 to c. and component parts attached to or secured on such vehicles.

16 (b) Except as provided in par. (c) and subs. (2), (3), and (4), the location of a sale  
17 is determined as follows:

18 1. If a purchaser receives the product at a seller's business location, the sale  
19 occurs at that business location.

20 2. If a purchaser does not receive the product at a seller's business location, the  
21 sale occurs at the location where the purchaser, or the purchaser's designated donee,  
22 receives the product, including the location indicated by the instructions known to  
23 the seller for delivery to the purchaser or the purchaser's designated donee.

24 3. If the location of a sale of a product cannot be determined under subds. 1. and  
25 2., the sale occurs at the purchaser's address as indicated by the seller's business

1 records, if the records are maintained in the ordinary course of the seller's business  
2 and if using that address to establish the location of a sale is not in bad faith.

3 4. If the location of a sale of a product cannot be determined under subds. 1. to  
4 3., the sale occurs at the purchaser's address as obtained during the consummation  
5 of the sale, including the address indicated on the purchaser's payment instrument,  
6 if no other address is available and if using that address is not in bad faith.

7 5. If the location of a sale of a product cannot be determined under subds. 1. to  
8 4., the location of the sale is determined as follows:

9 a. If the item sold is tangible personal property, or an item or property under  
10 s. 77.52 (1) (b) or (c), the sale occurs at the location from which the tangible personal  
11 property is shipped.

12 b. If the item sold is a digital good, or computer software delivered  
13 electronically, the sale occurs at the location from which the digital good or computer  
14 software was first available for transmission by the seller.

15 c. If a service is sold, the sale occurs at the location from which the service was  
16 provided.

17 (c) The sale of direct mail occurs at the location from which the direct mail is  
18 shipped, if the purchaser does not provide to the seller a direct pay permit, a direct  
19 mail form, or other information that indicates the appropriate taxing jurisdiction to  
20 which the direct mail is delivered to the ultimate recipients. If the purchaser  
21 provides a direct mail form or direct pay permit to the seller, the purchaser shall pay  
22 or remit, as appropriate, to the department the tax imposed under s. 77.53 on all  
23 purchases for which the tax is due and the seller is relieved from liability for  
24 collecting such tax. A direct mail form provided to a seller under this paragraph shall  
25 remain effective for all sales by the seller who received the form to the purchaser who

1 provided the form, unless the purchaser revokes the form in writing and provides  
2 such revocation to the seller.

3 (2) LEASE OR RENTAL: (a) Except as provided in pars. (b) and (c), with regard  
4 to the first or only payment on the lease or rental, the lease or rental of tangible  
5 personal property or items or property under s. 77.52 (1) (b) or (c) occurs at the  
6 location determined under sub. (1) (b). If the property or item is moved from the place  
7 where the property or item was initially delivered, the subsequent periodic payments  
8 on the lease or rental occur at the property's or item's primary location as indicated  
9 by an address for the property or item that is provided by the lessee and that is  
10 available to the lessor in records that the lessor maintains in the ordinary course of  
11 the lessor's business, if the use of such an address does not constitute bad faith. The  
12 location of a lease or rental as determined under this paragraph shall not be altered  
13 by any intermittent use of the property or item at different locations.

14 (b) The lease or rental of motor vehicles, trailers, semitrailers, and aircraft,  
15 that are not transportation equipment, occurs at the primary location of such motor  
16 vehicles, trailers, semitrailers, or aircraft as indicated by an address for the property  
17 that is provided by the lessee and that is available to the lessor in records that the  
18 lessor maintains in the ordinary course of the lessor's business, if the use of such an  
19 address does not constitute bad faith, except that a lease or rental under this  
20 paragraph that requires only one payment occurs at the location determined under  
21 sub. (1) (b). The location of a lease or rental as determined under this paragraph shall  
22 not be altered by any intermittent use of the property at different locations.

23 (c) The lease or rental of transportation equipment occurs at the location  
24 determined under sub. (1) (b).

1 (d) A license of tangible personal property, items or property under s. 77.52 (1)  
2 (b) or (c), specified digital goods, or additional digital goods shall be treated as a lease  
3 or rental of tangible personal property under this subsection.

4 (3) TELECOMMUNICATIONS: (a) In this subsection:

5 1. "Air-to-ground radiotelephone service" means a radio service in which  
6 common carriers are authorized to offer and provide radio telecommunications  
7 service for hire to subscribers in aircraft.

8 2. "Call-by-call basis" means any method of charging for telecommunications  
9 services by which the price of such services is measured by individual calls.

10 3. "Communications channel" means a physical or virtual path of  
11 communications over which signals are transmitted between or among customer  
12 channel termination points.

13 4. "Customer" means a person who enters into a contract with a seller of  
14 telecommunications services or, in any transaction for which the end user is not the  
15 person who entered into a contract with the seller of telecommunications services,  
16 the end user of the telecommunications services. "Customer" does not include a  
17 person who resells telecommunications services or, for mobile telecommunications  
18 services, a serving carrier under an agreement to serve a customer outside the home  
19 service provider's licensed service area.

20 5. "Customer channel termination point" means the location where a customer  
21 inputs or receives communications.

22 6. "End user" means an individual who uses a telecommunications service.

23 7. "Home service provider" means a home service provider under section 124  
24 (5) of P.L. 106-252.

1           8. “Mobile telecommunications service” means a mobile telecommunications  
2 service under 4 USC 116 to 126, as amended by P.L. 106-252.

3           9. “Place of primary use” means place of primary use, as determined under 4  
4 USC 116 to 126, as amended by P.L. 106-252.

5           10. “Postpaid calling service” means a telecommunications service that is  
6 obtained by paying for it on a call-by-call basis using a bankcard, travel card, credit  
7 card, debit card, or similar method, or by charging it to a telephone number that is  
8 not associated with the location where the telecommunications service originates or  
9 terminates. “Postpaid calling service” includes a telecommunications service, not  
10 including a prepaid wireless calling service, that would otherwise be a prepaid  
11 calling service except that the service provided to the customer is not exclusively a  
12 telecommunications service.

13           14. “Radio service” means a communication service provided by the use of radio,  
14 including radiotelephone, radiotelegraph, paging, and facsimile service.

15           15. “Radiotelegraph service” means transmitting messages from one place to  
16 another by means of radio.

17           16. “Radiotelephone service” means transmitting sound from one place to  
18 another by means of radio.

19           (b) Except as provided in pars. (d) to (j), the sale of a telecommunications service  
20 that is sold on a call-by-call basis occurs in the taxing jurisdiction for sales and use  
21 tax purposes where the call originates and terminates, in the case of a call that  
22 originates and terminates in the same such jurisdiction, or the taxing jurisdiction for  
23 sales and use tax purposes where the call originates or terminates and where the  
24 service address is located.

1 (c) Except as provided in pars. (d) to (j), the sale of a telecommunications service  
2 that is sold on a basis other than a call-by-call basis occurs at the customer's place  
3 of primary use.

4 (d) The sale of a mobile telecommunications service, except an air-to-ground  
5 radiotelephone service and a prepaid calling service, occurs at the customer's place  
6 of primary use.

7 (e) The sale of a postpaid calling service occurs at the location where the signal  
8 of the telecommunications service originates, as first identified by the seller's  
9 telecommunications system or, if the signal is not transmitted by the seller's  
10 telecommunications system, by information that the seller received from the seller's  
11 service provider.

12 (f) The sale of a prepaid calling service or a prepaid wireless calling service  
13 occurs at the location determined under sub. (1) (b), except that, if the service is a  
14 prepaid wireless calling service and the location cannot be determined under sub. (1)

15 (b) 1. to 4., the prepaid wireless calling service occurs at the location determined  
16 under sub. (1) (b) 5. c. or at the location associated with the mobile telephone number,  
17 as determined by the seller.

18 (g) 1. The sale of a private communication service for a separate charge related  
19 to a customer channel termination point occurs at the location of the customer  
20 channel termination point.

21 2. The sale of a private communication service in which all customer channel  
22 termination points are located entirely in one taxing jurisdiction for sales and use  
23 tax purposes occurs in the taxing jurisdiction in which the customer channel  
24 termination points are located.

1           3. If the segments are charged separately, the sale of a private communication  
2 service that represents segments of a communications channel between 2 customer  
3 channel termination points that are located in different taxing jurisdictions for sales  
4 and use tax purposes occurs in an equal percentage in both such jurisdictions.

5           4. If the segments are not charged separately, the sale of a private  
6 communication service for segments of a communications channel that is located in  
7 more than one taxing jurisdiction for sales and use tax purposes occurs in each such  
8 jurisdiction in a percentage determined by dividing the number of customer channel  
9 termination points in that jurisdiction by the number of customer channel  
10 termination points in all jurisdictions where segments of the communications  
11 channel are located.

12           (h) The sale of an Internet access service occurs at the customer's place of  
13 primary use.

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

15           (j) If the location of the customer's service address, channel termination point,  
16 or place of primary use is not known, the location where the seller receives or hands  
17 off the signal shall be considered, for purposes of this section, the customer's service  
18 address, channel termination point, or place of primary use.

19           (4) FLORISTS. (a) For purposes of this subsection, "retail florist" means a person  
20 engaged in the business of selling cut flowers, floral arrangements, and potted plants  
21 and who prepares such flowers, floral arrangements, and potted plants. "Retail  
22 florist" does not include a person who sells cut flowers, floral arrangements, and  
23 potted plants primarily by mail or via the Internet.

24           (b) Sales by a retail florist occur at the location determined by rule by the  
25 department.

1 SECTION 2320. 77.523 (title) of the statutes is repealed.

2 SECTION 2321. 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended  
3 to read:

4 77.59 (9p) (a) If a customer purchases a service that is subject to 4 USC 116  
5 to 126, as amended by P.L. 106-252, and if the customer believes that the amount  
6 of the tax assessed for the service under this subchapter or the place of primary use  
7 or taxing jurisdiction assigned to the service is erroneous, the customer may request  
8 that the service provider correct the alleged error by sending a written notice to the  
9 service provider. The notice shall include a description of the alleged error, the street  
10 address for the customer's place of primary use of the service, the account name and  
11 number of the service for which the customer seeks a correction, and any other  
12 information that the service provider reasonably requires to process the request.  
13 Within 60 days from the date that a service provider receives a request under this  
14 section paragraph, the service provider shall review its records to determine the  
15 customer's taxing jurisdiction. If the review indicates that there is no error as  
16 alleged, the service provider shall explain the findings of the review in writing to the  
17 customer. If the review indicates that there is an error as alleged, the service  
18 provider shall correct the error and shall refund or credit the amount of any tax  
19 collected erroneously, along with the related interest, as a result of the error from the  
20 customer in the previous 48 months, consistent with s. 77.59 (4). A customer may  
21 take no other action against the service provider, or commence any action, to correct  
22 an alleged error in the amount of the tax assessed under this subchapter on a service  
23 that is subject to 4 USC 116 to 126, as amended by P.L. 106-252, or to correct an  
24 alleged error in the assigned place of primary use or taxing jurisdiction, unless the  
25 customer has exhausted his or her remedies under this section paragraph.



1           **SECTION 2322.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

2           **SECTION 2323.** 77.524 (1) (ag) of the statutes is created to read:

3           77.524 (1) (ag) “Agent” means a person appointed by a seller to represent the  
4           seller before the states that are signatories to the agreement, as defined in s. 77.65  
5           (2) (a).

6           **SECTION 2324.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g) and  
7           amended to read:

8           77.51 (1g) “Certified service provider” means an agent that is certified jointly  
9           by the states that are signatories to the agreement, as defined in s. 77.65 (2) (a), and  
10          that performs all of a seller’s sales tax and use tax functions related to the seller’s  
11          retail sales, except that a certified service provider is not responsible for a retailer’s  
12          obligation to remit tax on the retailer’s own purchases.

13          **SECTION 2325.** 77.525 of the statutes is amended to read:

14          **77.525 Reduction to prevent double taxation.** Any person who is subject  
15          to the tax under s. 77.52 (2) (a) 5. ~~a.~~ on telecommunications services that terminate  
16          in this state and who has paid a similar tax on the same services to another state may  
17          reduce the amount of the tax remitted to this state by an amount equal to the similar  
18          tax properly paid to another state on those services or by the amount due this state  
19          on those services, whichever is less. That person shall refund proportionally to the  
20          persons to whom the tax under s. 77.52 (2) (a) 5. ~~a.~~ was passed on an amount equal  
21          to the amounts not remitted.

22          **SECTION 2326.** 77.53 (1) of the statutes is amended to read:

23          77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed  
24          on the use or consumption in this state of taxable services under s. 77.52 purchased  
25          from any retailer, at the rate of 5% of the sales purchase price of those services; on

1 the storage, use, or other consumption in this state of tangible personal property and  
2 items or property under s. 77.52 (1) (b) or (c) purchased from any retailer, at the rate  
3 of 5% of the sales purchase price of that the property or items; on the storage, use,  
4 or other consumption of specified digital goods or additional digital goods purchased  
5 from any retailer, regardless of whether the purchaser has the right to permanently  
6 use such goods or whether the purchaser's right to access or retain such goods is not  
7 permanent, at the rate of 5% of the sales price of such goods; and on the storage, use  
8 or other consumption of tangible personal property, or items or property under s.  
9 77.52 (1) (b) or (c), manufactured, processed or otherwise altered, in or outside this  
10 state, by the person who stores, uses or consumes it, from material purchased from  
11 any retailer, at the rate of 5% of the sales purchase price of that material.

12 **SECTION 2327.** 77.53 (2) of the statutes is amended to read:

13 77.53 (2) Every person storing, using, or otherwise consuming in this state  
14 tangible personal property, items or property under s. 77.52 (1) (b) or (c), specified  
15 digital goods, additional digital goods, or taxable services purchased from a retailer  
16 is liable for the tax imposed by this section. The person's liability is not extinguished  
17 until the tax has been paid to this state, but a receipt with the tax separately stated  
18 from a retailer engaged in business in this state or from a retailer who is authorized  
19 by the department, under such rules as it prescribes, to collect the tax and who is  
20 regarded as a retailer engaged in business in this state for purposes of the tax  
21 imposed by this section given to the purchaser under sub. (3) relieves the purchaser  
22 from further liability for the tax to which the receipt refers.

23 **SECTION 2328.** 77.53 (3) of the statutes is amended to read:

24 77.53 (3) Every retailer engaged in business in this state and making sales of  
25 tangible personal property, items or property under s. 77.52 (1) (b) or (c), specified

1 digital goods, additional digital goods, or taxable services for delivery into this state  
2 or with knowledge directly or indirectly that the property or service is intended for  
3 storage, use or other consumption in that are sourced to this state under s. 77.522,  
4 shall, at the time of making the sales or, if the storage, use or other consumption of  
5 the tangible personal property or taxable service is not then taxable under this  
6 section, at the time the storage, use or other consumption becomes taxable, collect  
7 the tax from the purchaser and give to the purchaser a receipt in the manner and  
8 form prescribed by the department.

9 **SECTION 2329.** 77.53 (4) of the statutes is repealed.

10 **SECTION 2330.** 77.53 (9) of the statutes is amended to read:

11 77.53 (9) Every retailer selling tangible personal property, items or property  
12 under s. 77.52 (1) (b) or (c), specified digital goods, additional digital goods, or taxable  
13 services for storage, use or other consumption in this state shall register with the  
14 department and obtain a certificate under s. 73.03 (50) and give the name and  
15 address of all agents operating in this state, the location of all distribution or sales  
16 houses or offices or other places of business in this state, the standard industrial code  
17 classification of each place of business in this state and the other information that  
18 the department requires. Any person who may register under this subsection may  
19 designate an agent, as defined in s. 77.524 (1) (ag), to register with the department  
20 under this subsection, in the manner prescribed by the department.

21 **SECTION 2331.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and  
22 amended to read:

23 77.53 (9m) (a) Any person who is not otherwise required to collect any tax  
24 imposed by this subchapter and who makes sales to persons within this state of  
25 tangible personal property, items or property under s. 77.52 (1) (b) or (c), specified

1 digital goods, additional digital goods, or taxable services the use of which is subject  
2 to tax under this subchapter may register with the department under the terms and  
3 conditions that the department imposes and shall obtain a valid certificate under s.  
4 73.03 (50) and thereby be authorized and required to collect, report, and remit to the  
5 department the use tax imposed by this subchapter.

6 **SECTION 2332.** 77.53 (9m) (b) of the statutes is created to read:

7 77.53 (9m) (b) Any person who may register under par. (a) may designate an  
8 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),  
9 in the manner prescribed by the department.

10 **SECTION 2333.** 77.53 (9m) (c) of the statutes is created to read:

11 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise  
12 required to collect any tax imposed by this subchapter shall not be used as a factor  
13 in determining whether the seller has nexus with this state for any tax at any time.

14 **SECTION 2334.** 77.53 (10) of the statutes is amended to read:

15 77.53 (10) For the purpose of the proper administration of this section and to  
16 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that  
17 tangible personal property, items or property under s. 77.52 (1) (b) or (c), specified  
18 digital goods, additional digital goods, or taxable services sold by any person for  
19 delivery in this state is sold for storage, use, or other consumption in this state until  
20 the contrary is established. The burden of proving the contrary is upon the person  
21 who makes the sale unless that person takes from the purchaser ~~a~~ an electronic or  
22 paper certificate, in a manner prescribed by department, to the effect that the  
23 property, items or property under s. 77.52 (1) (b) or (c), specified digital goods,  
24 additional digital goods, or taxable service is purchased for resale, or otherwise  
25 exempt from the tax, except that no certificate is required for sales of cattle, sheep,

1 goats, and pigs that are sold at an animal market, as defined in s. 95.68 (1) (ag), and  
2 no certificate is required for sales of commodities, as defined in 7 USC 2, that are  
3 consigned for sale in a warehouse in or from which the commodity is deliverable on  
4 a contract for future delivery subject to the rules of a commodity market regulated  
5 by the U.S. commodity futures trading commission if upon the sale the commodity  
6 is not removed from the warehouse the sale of tangible personal property, items and  
7 property under s. 77.52 (1) (b) and (c), specified digital goods, additional digital goods,  
8 and services that are exempt under s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17),  
9 (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42), (44), (45), (46), (51), and (52),  
10 except as provided in s. 77.54 (30) (e) and (f).

11 **SECTION 2335.** 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and  
12 amended to read:

13 77.53 (11) (a) The certificate referred to in under sub. (10) relieves the person  
14 selling the property, items or property under s. 77.52 (1) (b) or (c), specified digital  
15 goods, additional digital goods, or service from the burden of proof of the tax  
16 otherwise applicable only if taken in good faith the seller obtains a fully completed  
17 exemption certificate, or the information required to prove the exemption, from a  
18 person who is engaged as a seller of tangible personal property or taxable services  
19 and who holds the permit provided for by s. 77.52 (9) and who, at the time of  
20 purchasing the purchaser no later than 90 days after the date of the sale of the  
21 tangible personal property, items or property under s. 77.52 (1) (b) or (c), specified  
22 digital goods, additional digital goods, or taxable service, intends to sell it in the  
23 regular course of operations or is unable to ascertain at the time of purchase whether  
24 the property or service will be sold or will be used for some other purpose, or if taken  
25 in good faith from a person claiming exemption, except as provided in par. (b). The

1 certificate under sub. (10) shall not relieve the seller of the tax otherwise applicable  
2 if the seller fraudulently fails to collect sales tax or solicits the purchaser to claim an  
3 unlawful exemption, accepts an exemption certificate from a purchaser who claims  
4 to be an entity that is not subject to the taxes imposed under this subchapter, if the  
5 subject of the transaction sought to be covered by the exemption certificate is  
6 received by the purchaser at a location operated by the seller in this state and the  
7 exemption certificate clearly and affirmatively indicates that the claimed exemption  
8 is not available in this state. The certificate shall be signed by and bear the name  
9 and address of provide information that identifies the purchaser and shall indicate  
10 the number of the permit issued to the purchaser, the general character of tangible  
11 personal property or taxable service sold by the purchaser and the basis for the  
12 claimed exemption and a paper certificate shall be signed by the purchaser. The  
13 certificate shall be substantially in the form that the department prescribes by rule.

14 **SECTION 2336.** 77.53 (11) (b) of the statutes is created to read:

15 77.53 (11) (b) If the seller has not obtained a fully completed exemption  
16 certificate or the information required to prove the exemption, as provided in par. (a),  
17 the seller may, no later than 120 days after the department requests that the seller  
18 substantiate the exemption, either provide proof of the exemption to the department  
19 by other means or obtain, in good faith, a fully completed exemption certificate from  
20 the purchaser.

21 **SECTION 2337.** 77.53 (12) of the statutes is amended to read:

22 77.53 (12) If a purchaser who gives a certificate makes any storage or use of  
23 the property, items or property under s. 77.52 (1) (b) or (c), specified digital goods,  
24 additional digital goods, or service other than retention, demonstration, or display  
25 while holding it for sale in the regular course of operations as a seller, the storage or

1 use is taxable as of the time the property, items or property under s. 77.52 (1) (b) or  
2 (c), specified digital goods, additional digital goods, or service is first so stored or  
3 used.

4 **SECTION 2338.** 77.53 (14) of the statutes is amended to read:

5 **77.53 (14)** It is presumed that tangible personal property, items or property  
6 under s. 77.52 (1) (b) or (c), specified digital goods, additional digital goods, or taxable  
7 services shipped or brought to this state by the purchaser were purchased from or  
8 serviced by a retailer.

9 **SECTION 2339.** 77.53 (15) of the statutes is amended to read:

10 **77.53 (15)** It is presumed that tangible personal property, items or property  
11 under s. 77.52 (1) (b) or (c), specified digital goods, additional digital goods, or taxable  
12 services delivered outside this state to ~~a purchaser known by the retailer to be a~~  
13 ~~resident of this state were~~ was purchased from a retailer for storage, use, or other  
14 consumption in this state and stored, used, or otherwise consumed in this state. This  
15 ~~presumption may be controverted by a written statement, signed by the purchaser~~  
16 ~~or an authorized representative, and retained by the seller that the property or~~  
17 ~~service was purchased for use at a designated point outside this state.~~ This  
18 presumption may also be controverted by other evidence satisfactory to the  
19 department that the property, item, digital good, or service was not purchased for  
20 storage, use, or other consumption in this state.

21 **SECTION 2340.** 77.53 (16) of the statutes is amended to read:

22 **77.53 (16)** If the purchase, rental or lease of tangible personal property, items  
23 or property under s. 77.52 (1) (b) or (c), specified digital goods, additional digital  
24 goods, or service subject to the tax imposed by this section was subject to a sales tax  
25 by another state in which the purchase was made, the amount of sales tax paid the

1 other state shall be applied as a credit against and deducted from the tax, to the  
2 extent thereof, imposed by this section, except no credit may be applied against and  
3 deducted from a sales tax paid on the purchase of direct mail, if the direct mail  
4 purchaser did not provide to the seller a direct pay permit, a direct mail form, or other  
5 information that indicates the appropriate taxing jurisdiction to which the direct  
6 mail is delivered to the ultimate recipients. In this subsection “sales tax” includes  
7 a use or excise tax imposed on the use of tangible personal property, items or property  
8 under s. 77.52 (1) (b) or (c), specified digital goods, additional digital goods, or taxable  
9 service by the state in which the sale occurred and “state” includes the District of  
10 Columbia ~~but does not include~~ and the commonwealth of Puerto Rico or but does not  
11 include the several territories organized by congress.

12 **SECTION 2341.** 77.53 (17) of the statutes is amended to read:

13 **77.53 (17)** This section does not apply to tangible personal property, items or  
14 property under s. 77.52 (1) (b) or (c), specified digital goods, or additional digital  
15 goods purchased outside this state, as determined under s. 77.522, other than motor  
16 vehicles, boats, snowmobiles, mobile homes not exceeding 45 feet in length, trailers,  
17 semitrailers, all-terrain vehicles and airplanes registered or titled or required to be  
18 registered or titled in this state, which is brought into this state by a nondomiciliary  
19 for the person’s own storage, use or other consumption while temporarily within this  
20 state when such property, item, or digital good is not stored, used or otherwise  
21 consumed in this state in the conduct of a trade, occupation, business or profession  
22 or in the performance of personal services for wages or fees.

23 **SECTION 2342.** 77.53 (17m) of the statutes is amended to read:

24 **77.53 (17m)** This section does not apply to a boat purchased in a state  
25 contiguous to this state, as determined under s. 77.522, by a person domiciled in that



1 state if the boat is berthed in this state's boundary waters adjacent to the state of the  
2 domicile of the purchaser and if the transaction was an exempt occasional sale under  
3 the laws of the state in which the purchase was made.

4 **SECTION 2343.** 77.53 (17r) (a) of the statutes is amended to read:

5 **77.53 (17r) (a)** It is purchased in another state, as determined under s. 77.522.

6 **SECTION 2344.** 77.53 (18) of the statutes is amended to read:

7 **77.53 (18)** This section does not apply to the storage, use or other consumption  
8 in this state of household goods, items or property under s. 77.52 (1) (b) or (c),  
9 specified digital goods, or additional digital goods for personal use or to aircraft,  
10 motor vehicles, boats, snowmobiles, mobile homes, trailers, semitrailers and  
11 all-terrain vehicles, for personal use, purchased by a nondomiciliary of this state  
12 outside this state, as determined under s. 77.522, 90 days or more before bringing the  
13 goods, items, or property into this state in connection with a change of domicile to this  
14 state.

15 **SECTION 2345.** 77.54 (1) of the statutes is amended to read:

16 **77.54 (1)** The gross receipts sales price from the sale of and the storage, use or  
17 other consumption in this state of tangible personal property, items and property  
18 under s. 77.52 (1) (b) and (c) and services the gross receipts sales price from the sale  
19 of which, or the storage, use or other consumption of which, this state is prohibited  
20 from taxing under the constitution or laws of the United States or under the  
21 constitution of this state.

22 **SECTION 2346.** 77.54 (2) of the statutes is amended to read:

23 **77.54 (2)** The gross receipts sales price from sales of and the storage, use or  
24 other consumption of tangible personal property becoming an ingredient or  
25 component part of an article of tangible personal property or which is consumed or

1 destroyed or loses its identity in the manufacture of tangible personal property in  
2 any form destined for sale, except as provided in sub. (30) (a) 6.

3 **SECTION 2347.** 77.54 (2m) of the statutes is amended to read:

4 77.54 (2m) The ~~gross receipts~~ sales price from the sales of and the storage, use  
5 or other consumption of tangible personal property or services that become an  
6 ingredient or component of shoppers guides, newspapers or periodicals or that are  
7 consumed or lose their identity in the manufacture of shoppers guides, newspapers  
8 or periodicals, whether or not the shoppers guides, newspapers or periodicals are  
9 transferred without charge to the recipient. In this subsection, "shoppers guides",  
10 "newspapers" and "periodicals" have the meanings under sub. (15). The exemption  
11 under this subdivision does not apply to advertising supplements that are not  
12 newspapers.

13 **SECTION 2348.** 77.54 (3) (a) of the statutes, as affected by 2005 Wisconsin Act  
14 366, is amended to read:

15 77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use,  
16 or other consumption of tractors and machines, including accessories, attachments,  
17 and parts, lubricants, nonpowered equipment, and other tangible personal property  
18 that are used exclusively and directly, or are consumed or lose their identities, in the  
19 business of farming, including dairy farming, agriculture, horticulture, floriculture,  
20 silviculture, and custom farming services, but excluding automobiles, trucks, and  
21 other motor vehicles for highway use; excluding personal property that is attached  
22 to, fastened to, connected to, or built into real property or that becomes an addition  
23 to, component of, or capital improvement of real property; and excluding tangible  
24 personal property used or consumed in the erection of buildings or in the alteration,  
25 repair or improvement of real property, regardless of any contribution that that

1 personal property makes to the production process in that building or real property  
2 and regardless of the extent to which that personal property functions as a machine,  
3 except as provided in par. (c).

4 **SECTION 2349.** 77.54 (3m) (intro.) of the statutes, as affected by 2005 Wisconsin  
5 Act 366, is amended to read:

6 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the  
7 storage, use or other consumption of the following items if they are used exclusively  
8 by the purchaser or user in the business of farming; including dairy farming,  
9 agriculture, horticulture, floriculture, silviculture, and custom farming services:

10 **SECTION 2350.** 77.54 (4) of the statutes is amended to read:

11 77.54 (4) ~~Gross receipts~~ The sales price from the sale of tangible personal  
12 property and items and property under s. 77.52 (1) (b) and (c), and the storage, use  
13 or other consumption in this state of tangible personal property and items and  
14 property under s. 77.52 (1) (b) and (c) which is the subject of any such sale, by any  
15 elementary school or secondary school, exempted as such from payment of income or  
16 franchise tax under ch. 71, whether public or private.

17 **SECTION 2351.** 77.54 (5) (intro.) of the statutes is amended to read:

18 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
19 use or other consumption of:

20 **SECTION 2352.** 77.54 (6) (intro.) of the statutes is amended to read:

21 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
22 use or other consumption of:

23 **SECTION 2353.** 77.54 (7m) of the statutes is amended to read:

24 77.54 (7m) Occasional sales of tangible personal property, items or property  
25 under s. 77.52 (1) (b) or (c) or services, including admissions or tickets to an event;

1 by a neighborhood association, church, civic group, garden club, social club or similar  
2 nonprofit organization; not involving entertainment for which payment in the  
3 aggregate exceeds \$500 for performing or as reimbursement of expenses unless  
4 access to the event may be obtained without payment of a direct or indirect admission  
5 fee; conducted by the organization if the organization is not engaged in a trade or  
6 business and is not required to have a seller's permit. For purposes of this  
7 subsection, an organization is engaged in a trade or business and is required to have  
8 a seller's permit if its sales of tangible personal property, items and property under  
9 s. 77.52 (1) (b) and (c), and services, not including sales of tickets to events, and its  
10 events occur on more than 20 days during the year, unless its receipts do not exceed  
11 \$25,000 during the year. The exemption under this subsection does not apply to gross  
12 receipts the sales price from the sale of bingo supplies to players or to the sale, rental  
13 or use of regular bingo cards, extra regular cards and special bingo cards.

14 **SECTION 2354.** 77.54 (8) of the statutes is amended to read:

15 77.54 (8) Charges for interest, financing or insurance, not including contracts  
16 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the  
17 invoice given by the seller to the purchaser.

18 **SECTION 2355.** 77.54 (9) of the statutes is amended to read:

19 77.54 (9) The gross receipts sales price from sales of tickets or admissions to  
20 public and private elementary and secondary school activities, where the entire net  
21 proceeds therefrom are expended for educational, religious or charitable purposes.

22 **SECTION 2356.** 77.54 (9a) (intro.) of the statutes is amended to read:

23 77.54 (9a) (intro.) The gross receipts sales price from sales to, and the storage  
24 by, use by or other consumption of tangible personal property, items and property  
25 under s. 77.52 (1) (b) and (c), and taxable services by:

1           **SECTION 2358.** 77.54 (10) of the statutes is amended to read:

2           77.54 (10) The gross receipts sales price from the sale of all admission fees,  
3 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees  
4 to any museum operated by a nonprofit corporation under a lease agreement with  
5 the state historical society.

6           **SECTION 2359.** 77.54 (11) of the statutes is amended to read:

7           77.54 (11) The gross receipts sales price from the sales of and the storage, use  
8 or other consumption in this state of motor vehicle fuel, general aviation fuel or  
9 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or  
10 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel  
11 in operating a motor vehicle upon the public highways.

12           **SECTION 2360.** 77.54 (12) of the statutes is amended to read:

13           77.54 (12) The gross receipts sales price from the sales of and the storage, use  
14 or other consumption in this state of rail freight or passenger cars, locomotives or  
15 other rolling stock used in railroad operations, or accessories, attachments, parts,  
16 lubricants or fuel therefor.

17           **SECTION 2361.** 77.54 (13) of the statutes is amended to read:

18           77.54 (13) The gross receipts sales price from the sales of and the storage, use  
19 or other consumption in this state of commercial vessels and barges of 50-ton burden  
20 or over primarily engaged in interstate or foreign commerce or commercial fishing,  
21 and the accessories, attachments, parts and fuel therefor.

22           **SECTION 2362.** 77.54 (14) (intro.) of the statutes is amended to read:

23           77.54 (14) (intro.) The gross receipts sales price from the sales of and the  
24 storage, use, or other consumption in this state of medicines drugs that are any of  
25 the following:

1           **SECTION 2363.** 77.54 (14) (a) of the statutes is amended to read:

2           77.54 (14) (a) Prescribed for the treatment of a human being by a person  
3 authorized to prescribe the ~~medieines~~ drugs, and dispensed on prescription filled by  
4 a registered pharmacist in accordance with law.

5           **SECTION 2364.** 77.54 (14) (b) of the statutes is amended to read:

6           77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist  
7 to a patient who is a human being for treatment of the patient.

8           **SECTION 2365.** 77.54 (14) (f) (intro.) of the statutes is amended to read:

9           77.54 (14) (f) (intro.) Furnished without charge to any of the following if the  
10 ~~medieine~~ drug may not be dispensed without a prescription:

11           **SECTION 2366.** 77.54 (14g) of the statutes is repealed.

12           **SECTION 2367.** 77.54 (14s) of the statutes is repealed.

13           **SECTION 2368.** 77.54 (15) of the statutes is amended to read:

14           77.54 (15) The gross receipts sales price from the sale of and the storage, use  
15 or other consumption of all newspapers, of periodicals sold by subscription and  
16 regularly issued at average intervals not exceeding 3 months, or issued at average  
17 intervals not exceeding 6 months by an educational association or corporation sales  
18 to which are exempt under sub. (9a) (f), of controlled circulation publications sold to  
19 commercial publishers for distribution without charge or mainly without charge or  
20 regularly distributed by or on behalf of publishers without charge or mainly without  
21 charge to the recipient and of shoppers guides which distribute no less than 48 issues  
22 in a 12-month period. In this subsection, "shoppers guide" means a community  
23 publication delivered, or attempted to be delivered, to most of the households in its  
24 coverage area without a required subscription fee, which advertises a broad range  
25 of products and services offered by several types of businesses and individuals. In

1 this subsection, "controlled circulation publication" means a publication that has at  
2 least 24 pages, is issued at regular intervals not exceeding 3 months, that devotes  
3 not more than 75% of its pages to advertising and that is not conducted as an  
4 auxiliary to, and essentially for the advancement of, the main business or calling of  
5 the person that owns and controls it.

6 **SECTION 2369.** 77.54 (16) of the statutes is amended to read:

7 **77.54 (16)** The ~~gross receipts~~ sales price from the sale of and the storage, use  
8 or other consumption of fire trucks and fire fighting equipment, including  
9 accessories, attachments, parts and supplies therefor, sold to volunteer fire  
10 departments.

11 **SECTION 2370.** 77.54 (17) of the statutes is amended to read:

12 **77.54 (17)** The ~~gross receipts~~ sales price from the sales of and the storage, use  
13 or other consumption of water, that is not food and food ingredient, when delivered  
14 through mains.

15 **SECTION 2371.** 77.54 (18) of the statutes is amended to read:

16 **77.54 (18)** When the sale, lease or rental of a service or property, including  
17 items and property under s. 77.52 (1) (b) and (c), that was previously exempt or not  
18 taxable under this subchapter becomes taxable, and the service or property is  
19 furnished under a written contract by which the seller is unconditionally obligated  
20 to provide the service or property for the amount fixed under the contract, the seller  
21 is exempt from sales or use tax on the ~~gross receipts~~ sales price for services or  
22 property provided until the contract is terminated, extended, renewed or modified.  
23 However, from the time the service or property becomes taxable until the contract  
24 is terminated, extended, renewed or modified the user is subject to use tax, measured  
25 by the sales purchase price, on the service or property purchased under the contract.

1           **SECTION 2372.** 77.54 (20) of the statutes is repealed.

2           **SECTION 2373.** 77.54 (20m) of the statutes is repealed.

3           **SECTION 2374.** 77.54 (20n) of the statutes is created to read:

4           77.54 (20n) (a) The sales price from the sale of and the storage, use, or other  
5           consumption of food and food ingredients, except candy, soft drinks, dietary  
6           supplements, and prepared food.

7           (b) The sales price from the sale of and the storage, use, or other consumption  
8           of food and food ingredients, except soft drinks, sold by hospitals, sanatoriums,  
9           nursing homes, retirement homes, community-based residential facilities, as  
10          defined in s. 50.01 (1g), or day care centers registered under ch. 48, including  
11          prepared food that is sold to the elderly or handicapped by persons providing mobile  
12          meals on wheels. In this paragraph, "retirement home" means a nonprofit  
13          residential facility where 3 or more unrelated adults or their spouses have their  
14          principal residence and where support services, including meals from a common  
15          kitchen, are available to residents.

16          (c) The sales price from the sale of and the storage, use, or other consumption  
17          of food and food ingredients, furnished in accordance with any contract or agreement  
18          or paid for to such institution through the use of an account of such institution, by  
19          a public or private institution of higher education to any of the following:

20          1. An undergraduate student, a graduate student, or a student enrolled in a  
21          professional school if the student is enrolled for credit at the public or private  
22          institution of higher education and if the food and food ingredients are consumed by  
23          the student.

24          2. A national football league team.

25          **SECTION 2376.** 77.54 (20r) of the statutes is created to read:



1           77.54 (20r) The sales price from the sales of and the storage, use, or other  
2           consumption of candy, soft drinks, dietary supplements, and prepared foods, and  
3           disposable products that are transferred with such items, furnished for no  
4           consideration by a restaurant to the restaurant's employee during the employee's  
5           work hours.

6           **SECTION 2377.** 77.54 (21) of the statutes is amended to read:

7           77.54 (21) The ~~gross receipts~~ sales price from the sales of and the storage, use  
8           or other consumption of caskets and burial vaults for human remains.

9           **SECTION 2378.** 77.54 (22) of the statutes is repealed.

10          **SECTION 2379.** 77.54 (22b) of the statutes is created to read:

11          77.54 (22b) The sales price from the sale of and the storage, use, or other  
12          consumption of durable medical equipment that is for use in a person's home,  
13          mobility-enhancing equipment, and prosthetic devices, and accessories for such  
14          equipment or devices, if the equipment or devices are used for a human being.

15          **SECTION 2381.** 77.54 (23m) of the statutes is amended to read:

16          77.54 (23m) The gross receipts from the sale, lease or rental of or the storage,  
17          use or other consumption of motion picture film or tape, and motion pictures or radio  
18          or television programs for listening, viewing, or broadcast, and advertising materials  
19          related thereto, sold, leased or rented to a motion picture theater or radio or  
20          television station.

21          **SECTION 2382.** 77.54 (23m) of the statutes, as affected by 2007 Wisconsin Act  
22          ... (this act), is amended to read:

23          77.54 (23m) The gross receipts sales price from the sale, license, lease or rental  
24          of or the storage, use or other consumption of motion picture film or tape, and motion  
25          pictures or radio or television programs for listening, viewing, or broadcast, and

1 advertising materials related thereto, sold, licensed, leased or rented to a motion  
2 picture theater or radio or television station.

3 **SECTION 2383.** 77.54 (25) of the statutes is amended to read:

4 77.54 (25) The gross receipts sales price from the sale of and the storage of  
5 printed material which is designed to advertise and promote the sale of merchandise,  
6 or to advertise the services of individual business firms, which printed material is  
7 purchased and stored for the purpose of subsequently transporting it outside the  
8 state by the purchaser for use thereafter solely outside the state.

9 **SECTION 2384.** 77.54 (25) of the statutes, as affected by 2007 Wisconsin Act ....  
10 (this act), is amended to read:

11 77.54 (25) The sales price from the sale of and the storage of printed material  
12 which is designed to advertise and promote the sale of merchandise, or to advertise  
13 the services of individual business firms, which printed material is purchased and  
14 stored for the purpose of subsequently transporting it outside the state by the  
15 purchaser for use thereafter solely outside the state. This subsection does not apply  
16 to catalogs and the envelopes in which the catalogs are mailed.

17 **SECTION 2385.** 77.54 (25m) of the statutes is created to read:

18 77.54 (25m) The sales price from the sale of and the storage, use, or other  
19 consumption of catalogs, and the envelopes in which the catalogs are mailed, that are  
20 designed to advertise and promote the sale of merchandise or to advertise the  
21 services of individual business firms.

22 **SECTION 2386.** 77.54 (26) of the statutes is amended to read:

23 77.54 (26) The gross receipts sales price from the sales of and the storage, use,  
24 or other consumption of tangible personal property and property under s. 77.52 (1)  
25 (b) which becomes a component part of an industrial waste treatment facility that

1 is exempt under s. 70.11 (21) (a) or that would be exempt under s. 70.11 (21) (a) if the  
2 property were taxable under ch. 70, or tangible personal property and property  
3 under s. 77.52 (1) (b) which becomes a component part of a waste treatment facility  
4 of this state or any agency thereof, or any political subdivision of the state or agency  
5 thereof as provided in s. 40.02 (28). The exemption includes replacement parts  
6 therefor, and also applies to chemicals and supplies used or consumed in operating  
7 a waste treatment facility and to purchases of tangible personal property and  
8 property under s. 77.52 (1) (b) made by construction contractors who transfer such  
9 property to their customers in fulfillment of a real property construction activity.  
10 This exemption does not apply to tangible personal property and property under s.  
11 77.52 (1) (b) installed in fulfillment of a written construction contract entered into,  
12 or a formal written bid made, prior to July 31, 1975.

13 **SECTION 2387.** 77.54 (26m) of the statutes is amended to read:

14 **77.54 (26m)** The gross receipts sales price from the sale of and the storage, use  
15 or other consumption of waste reduction or recycling machinery and equipment,  
16 including parts therefor, exclusively and directly used for waste reduction or  
17 recycling activities which reduce the amount of solid waste generated, reuse solid  
18 waste, recycle solid waste, compost solid waste or recover energy from solid waste.  
19 The exemption applies even though an economically useful end product results from  
20 the use of the machinery and equipment. For the purposes of this subsection, "solid  
21 waste" means garbage, refuse, sludge or other materials or articles, whether these  
22 materials or articles are discarded or purchased, including solid, semisolid, liquid or  
23 contained gaseous materials or articles resulting from industrial, commercial,  
24 mining or agricultural operations or from domestic use or from public service  
25 activities.

1           **SECTION 2388.** 77.54 (27) of the statutes is amended to read:

2           77.54 (27) The gross receipts sales price from the sale of semen used for  
3 artificial insemination of livestock.

4           **SECTION 2389.** 77.54 (28) of the statutes is amended to read:

5           77.54 (28) The gross receipts sales price from the sale of and the storage, use  
6 or other consumption to or by the ultimate consumer of apparatus or equipment for  
7 the injection of insulin or the treatment of diabetes and supplies used to determine  
8 blood sugar level.

9           **SECTION 2390.** 77.54 (29) of the statutes is amended to read:

10           77.54 (29) The gross receipts sales price from the sales of and the storage, use  
11 or other consumption of equipment used in the production of maple syrup.

12           **SECTION 2391.** 77.54 (30) (a) (intro.) of the statutes is amended to read:

13           77.54 (30) (a) (intro.) The gross receipts sales price from the sale of:

14           **SECTION 2392.** 77.54 (30) (c) of the statutes is amended to read:

15           77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this  
16 subsection and partly for a use which is not exempt under this subsection, no tax  
17 shall be collected on that percentage of the gross receipts sales price equal to the  
18 percentage of the fuel or electricity which is used for an exempt use, as specified in  
19 an exemption certificate provided by the purchaser to the seller.

20           **SECTION 2393.** 77.54 (31) of the statutes is amended to read:

21           77.54 (31) The gross receipts sales price from the sale of and the storage, use  
22 or other consumption in this state, but not the lease or rental, of used mobile homes  
23 that are primary housing units under s. 340.01 (29).

24           **SECTION 2394.** 77.54 (32) of the statutes is amended to read:

1           77.54 (32) The ~~gross receipts~~ sales price from charges, including charges for a  
2           search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record  
3           that a person may examine and use under s. 16.61 (12) or for copies of a record under  
4           s. 19.35 (1).

5           **SECTION 2395.** 77.54 (33) of the statutes is amended to read:

6           77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or  
7           other consumption of ~~medicines~~ drugs used on farm livestock, not including  
8           workstock.

9           **SECTION 2396.** 77.54 (35) of the statutes is amended to read:

10          77.54 (35) The ~~gross receipts~~ sales price from the sales of tangible personal  
11          property, items or property under s. 77.52 (1) (b) or (c), tickets or admissions by any  
12          baseball team affiliated with the Wisconsin Department of American Legion  
13          baseball.

14          **SECTION 2397.** 77.54 (36) of the statutes is amended to read:

15          77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period  
16          of one month or more of a mobile home, as defined in s. 66.0435 (1) (d), that is used  
17          as a residence. In this subsection, "one month" means a calendar month or 30 days,  
18          whichever is less, counting the first day of the rental and not counting the last day  
19          of the rental.

20          **SECTION 2398.** 77.54 (37) of the statutes is amended to read:

21          77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.  
22          146.70 (3) and the surcharge established by rule by the public service commission  
23          under s. 146.70 (3m) (f) for customers of wireless providers, as defined in s. 146.70  
24          (3m) (a) 6.

25          **SECTION 2399.** 77.54 (38) of the statutes is amended to read:

1           77.54 (38) The gross receipts sales price from the sale of and the storage, use  
2           or other consumption of snowmobile trail groomers and attachments for them that  
3           are purchased, stored, used or consumed by a snowmobile club that meets at least  
4           3 times a year, that has at least 10 members, that promotes snowmobiling and that  
5           participates in the department of natural resources' snowmobile program under s.  
6           350.12 (4) (b).

7           **SECTION 2400.** 77.54 (39) of the statutes is amended to read:

8           77.54 (39) The gross receipts sales price from the sale of and the storage, use  
9           or other consumption of off-highway, heavy mechanical equipment such as feller  
10          bunchers, slashers, delimiters, chippers, hydraulic loaders, loaders,  
11          skidder-forwarders, skidders, timber wagons and tractors used exclusively and  
12          directly in the harvesting or processing of raw timber products in the field by a person  
13          in the logging business. In this subsection, "heavy mechanical equipment" does not  
14          include hand tools such as axes, chains, chain saws and wedges.

15          **SECTION 2401.** 77.54 (40) of the statutes is repealed.

16          **SECTION 2402.** 77.54 (41) of the statutes is amended to read:

17          77.54 (41) The gross receipts sales price from the sale of building materials,  
18          supplies and equipment to; and the storage, use or other consumption of those kinds  
19          of property by; owners, contractors, subcontractors or builders if that property is  
20          acquired solely for or used solely in, the construction, renovation or development of  
21          property that would be exempt under s. 70.11 (36).

22          **SECTION 2403.** 77.54 (42) of the statutes is amended to read:

23          77.54 (42) The gross receipts sales price from the sale of and the storage, use  
24          or other consumption of animal identification tags provided under s. 93.06 (1h) and  
25          standard samples provided under s. 93.06 (1s).

1           **SECTION 2404.** 77.54 (43) of the statutes is amended to read:

2           77.54 (43) The gross receipts sales price from the sale of and the storage, use  
3           or other consumption of raw materials used for the processing, fabricating or  
4           manufacturing of, or the attaching to or incorporating into, printed materials that  
5           are transported and used solely outside this state.

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

8           77.54 (44) The gross receipts sales price from the collection of low-income  
9           assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

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

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

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

20          77.54 (46) The gross receipts sales price from the sale of and the storage, use,  
21          or other consumption of the U.S. flag or the state flag. This subsection does not apply  
22          to a representation of the U.S. flag or the state flag.

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

24          77.54 (46m) The gross receipts sales price from the sale of and the storage, use,  
25          or other consumption of telecommunications services, if the telecommunications

1 services are obtained by using the rights to purchase telecommunications services,  
2 including purchasing reauthorization numbers, by paying in advance and by using  
3 an access number and authorization code; and if the tax imposed under s. 77.52 or  
4 77.53 was previously paid on the sale or purchase of such rights.

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

6 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
7 use, or other consumption of all of the following:

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

9 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under  
10 s. 77.52 on its ~~gross receipts~~ the sales price from charges for shooting at the facility.

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

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

17 77.585 (9) (a) Subject to 2005 Wisconsin Act 479, section 17, the ~~gross receipts~~  
18 ~~from the sale of and the storage, use, or other consumption~~ a purchaser may claim  
19 as a deduction that portion of its purchase price of Internet equipment used in the  
20 broadband market for which the tax was imposed under this subchapter, if the  
21 purchaser certifies to the department of commerce, in the manner prescribed by the  
22 department of commerce, that the purchaser will, within 24 months after July 1,  
23 2007, make an investment that is reasonably calculated to increase broadband  
24 Internet availability in this state. The purchaser shall claim the deduction in the  
25 same reporting period as the purchaser paid the tax imposed under this subchapter.



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

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

3           77.54 (49) The gross receipts sales price from the sale of and the storage, use,  
4           or other consumption of taxable services and tangible personal property or item or  
5           property under s. 77.52 (1) (b) or (c) that is physically transferred to the purchaser  
6           as a necessary part of services that are subject to the taxes imposed under s. 77.52  
7           (2) (a) 7., 10., 11., and 20., if the seller and the purchaser of such services and property  
8           or item are members of the same affiliated group under section 1504 of the Internal  
9           Revenue Code and are eligible to file a single consolidated return for federal income  
10          tax purposes. For purposes of this subsection, if a seller purchases a taxable service,  
11          item or property under s. 77.52 (1) (b) or (c), or tangible personal property, as  
12          described in the subsection, that is subsequently sold to a member of the seller's  
13          affiliated group and the sale is exempt under this subsection from the taxes imposed  
14          under this subchapter, the original purchase of the taxable service, item or property  
15          under s. 77.52 (1) (b) or (c), or tangible personal property by the seller is not  
16          considered a sale for resale or exempt under this subsection.

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

18          77.54 (50) The sales price from the sale of and the storage, use, or other  
19          consumption of specified digital goods or additional digital goods that are transferred  
20          electronically to the purchaser, if the sale of and the storage, use, or other  
21          consumption of such goods sold in a tangible form is exempt from taxation under this  
22          subchapter.

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

24          77.54 (51) The sales price from the sales of and the storage, use, or other  
25          consumption of products sold in a transaction that would be a bundled transaction,

1 except that it contains taxable and nontaxable products as described in s. 77.51 (1f)  
2 (d), and except that the first person combining the products shall pay the tax imposed  
3 under this subchapter on the person's purchase price of the taxable items.

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

5 **77.54 (52)** The sales price from the sales of and the storage, use, or other  
6 consumption of products sold in a transaction that would be a bundled transaction,  
7 except that the transaction meets the conditions described in s. 77.51 (1f) (e).

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

9 **77.54 (53) (a)** In this subsection:

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

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

12 3. "Qualified research" means qualified research as defined under section 41

13 (d) (1) of the Internal Revenue Code, except that research conducted by a public or  
14 private institution of higher education or by a governmental unit is "qualified  
15 research" if applying the research is intended to be useful in developing a new or  
16 improved product or service and the research satisfies section 41 (d) (1) (B) (i) and  
17 (C) of the Internal Revenue Code.

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

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

1           2. The items listed in sub. (3m) (a) to (m), medicines, semen for artificial  
2           insemination, fuel, and electricity that are used exclusively and directly in raising  
3           animals that are sold primarily to a biotechnology business, a public or private  
4           institution of higher education, or a governmental unit for exclusive and direct use  
5           by any such entity in qualified research or manufacturing. Subsection (30) (c), as it  
6           applies to the sale of fuel and electricity under sub. (30), applies to the sale of fuel and  
7           electricity under this subdivision.

8           3. Machines and specific processing equipment, including accessories,  
9           attachments, and parts for the machines or equipment, that are sold to a  
10          biotechnology business and used exclusively and directly in qualified research in  
11          biotechnology.

12          4. Tangible personal property that is sold to a biotechnology business, if the  
13          property is consumed or destroyed or loses its identity while being used exclusively  
14          and directly in qualified research in biotechnology. Subsection (30) (c), as it applies  
15          to the sale of fuel and electricity under sub. (30), applies to the sale of fuel and  
16          electricity under this subdivision.

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

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

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

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

3       77.54 (53) (b) (intro.) The sales price from the sale of and the storage, use, or  
4       other consumption of:

5       **SECTION 2418g.** 77.54 (53) (b) 2. of the statutes, as created by 2007 Wisconsin  
6       Act .... (this act), is repealed and recreated to read:

7       77.54 (53) (b) 2. The items listed in sub. (3m) (a) to (m), drugs, semen for  
8       artificial insemination, fuel, and electricity that are used exclusively and directly in  
9       raising animals that are sold primarily to a biotechnology business, a public or  
10      private institution of higher education, or a governmental unit for exclusive and  
11      direct use by any such entity in qualified research or manufacturing.

12      **SECTION 2418m.** 77.54 (54) of the statutes is created to read:

13      77.54 (54) The gross receipts from the sale of and the storage, use, or other  
14      consumption of tangible personal property and taxable services that are sold by a  
15      home exchange service that receives moneys from the appropriation account under  
16      s. 20.485 (1) (g) and is operated by the department of veterans affairs.

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

19      77.54 (54) The sales price from the sale of and the storage, use, or other  
20      consumption of tangible personal property and taxable services that are sold by a  
21      home exchange service that receives moneys from the appropriation account under  
22      s. 20.485 (1) (g) and is operated by the department of veterans affairs.

23      **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, items or property under s. 77.52 (1) (b) or (c), 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, and items  
7 and property under s. 77.52 (1) (b) and (c), to a common or contract carrier, shipped  
8 by the seller via the purchasing carrier under a bill of lading whether the freight is  
9 paid in advance, or the shipment is made freight charges collect, to a point outside  
10 this state and the property or item is actually transported to the out-of-state  
11 destination for use by the carrier in the conduct of its business 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, and items  
25 and property under s. 77.52 (1) (b) and (c), purchased for use solely outside this state

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

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

6 77.56 (1) The storage, use or other consumption in this state of property,  
7 including items and property under s. 77.52 (1) (b) and (c), the gross receipts sales  
8 price from the sale of which are is reported to the department in the measure of the  
9 sales tax, is exempted from the use tax.

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

11 **77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller  
12 that the property, items or property under s. 77.52 (1) (b) or (c), specified digital goods,  
13 or additional digital goods purchased will be used in a manner or for a purpose  
14 entitling the seller to regard the gross receipts sales price from the sale as exempted  
15 by this subchapter from the computation of the amount of the sales tax and uses the  
16 property, items or property under s. 77.52 (1) (b) or (c), specified digital goods, or  
17 additional digital goods in some other manner or for some other purpose, the  
18 purchaser is liable for payment of the sales tax. The tax shall be measured by the  
19 sales price of the property, items or property under s. 77.52 (1) (b) or (c), specified  
20 digital goods, or additional digital goods to the purchaser, ~~but if the taxable use first~~  
21 ~~occurs more than 6 months after the sale to the purchaser, the purchaser may use~~  
22 ~~as the measure of the tax either that sales price or the fair market value of the~~  
23 ~~property at the time the taxable use first occurs.~~

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

1           77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller.  
2           For purposes of the use tax a return shall be filed by every retailer engaged in  
3           business in this state and by every person purchasing tangible personal property,  
4           items or property under s. 77.52 (1) (b) or (c), specified digital goods, additional digital  
5           goods, or services, the storage, use, or other consumption of which is subject to the  
6           use tax, who has not paid the use tax due to a retailer required to collect the tax. If  
7           a qualified subchapter S subsidiary is not regarded as a separate entity under ch. 71,  
8           the owner of that subsidiary shall include the information for that subsidiary on the  
9           owner's return. Returns shall be signed by the person required to file the return or  
10          by a duly authorized agent but need not be verified by oath. If a single-owner entity  
11          is disregarded as a separate entity under ch. 71, the owner shall include the  
12          information from the entity on the owner's return.

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

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

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

1       77.58 (6) For the purposes of the sales tax gross receipts, the sales price from  
2       rentals or leases of tangible personal property, items or property under s. 77.52 (1)  
3       (b) or (c), specified digital goods, or additional digital goods shall be reported and the  
4       tax paid in accordance with such rules as the department prescribes.

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

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

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

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

14      77.58 (9) The department may require a filing fee for sales tax returns that are  
15      filed on paper.

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

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

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

24      **77.585 Return adjustments.** (1) (a) In this subsection, "bad debt" means the  
25      portion of the sales price or purchase price that the seller has reported as taxable



1 under this subchapter and that the seller may claim as a deduction under section 166  
2 of the Internal Revenue Code. "Bad debt" does not include financing charges or  
3 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible  
4 amounts on property, items or property under s. 77.52 (1) (b) or (c), specified digital  
5 goods, or additional digital goods that remain in the seller's possession until the full  
6 sales price or purchase price is paid, expenses incurred in attempting to collect any  
7 debt, debts sold or assigned to 3rd parties for collection, and repossessed property or  
8 items.

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

21 (c) For purposes of computing a bad debt deduction or reporting a payment  
22 received on a previously claimed bad debt, any payment made on a debt or on an  
23 account is applied first to the price of the property, items or property under s. 77.52  
24 (1) (b) or (c), specified digital goods, additional digital goods, or service sold, and the  
25 proportionate share of the sales tax on the property, items or property under s. 77.52

1 (1) (b) or (c), specified digital goods, additional digital goods, or service, and then to  
2 interest, service charges, and other charges related to the sale.

3 (d) A seller may obtain a refund of the tax collected on any bad debt amount  
4 deducted under par. (b) that exceeds the amount of the seller's taxable sales as  
5 provided under s. 77.59 (4), except that the period for making a claim as determined  
6 under s. 77.59 (4) begins on the date on which the return on which the bad debt could  
7 be claimed would have been required to be submitted to the department under s.  
8 77.58.

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

15 (f) If a bad debt relates to the retail sales of tangible personal property, items  
16 or property under s. 77.52 (1) (b) or (c), specified digital goods, additional digital  
17 goods, or taxable services that occurred in this state and in one or more other states,  
18 as determined under s. 77.522, the total amount of such bad debt shall be  
19 apportioned among the states in which the underlying sales occurred in a manner  
20 prescribed by the department to arrive at the amount of the deduction under par. (b).

21 (2) If a lessor of tangible personal property, items or property under s. 77.52  
22 (1) (b) or (c), specified digital goods, or additional digital goods has reimbursed the  
23 vendor for the sales tax on the sale of the property, items, or goods by the vendor to  
24 the lessor, the tax due from the lessor on the rental receipts may be offset by a credit  
25 equal to the tax otherwise due on the rental receipts from the property, items, or