



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

2 77.52 (20) (a) Except as provided in par. (b), the entire sales price of a bundled
3 transaction is subject to the tax imposed under this subchapter.

4 (b) At the retailer's option, if the retailer can identify, by reasonable and
5 verifiable standards from the retailer's books and records that are kept in the
6 ordinary course of its business for other purposes, including purposes unrelated to
7 taxes, the portion of the price that is attributable to products that are not subject to
8 the tax imposed under this subchapter, that portion of the sales price is not taxable
9 under this subchapter. This paragraph does not apply to a bundled transaction that
10 contains food and food ingredients, drugs, durable medical equipment, mobility
11 enhancing equipment, prosthetic devices, or medical supplies.

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

13 77.52 (21) A person who provides a product that is not a distinct and
14 identifiable product because it is provided free of charge, as provided in s. 77.51 (3pf)
15 (b), is the consumer of that product and shall pay the tax imposed under this
16 subchapter on the purchase price of that product.

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

18 77.52 (22) With regard to transactions described in s. 77.51 (1f) (b), the service
19 provider is the consumer of the tangible personal property or items or property under
20 sub. (1) (b) or (c) and shall pay the tax imposed under this subchapter on the purchase
21 price of the property or items .

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

23 77.52 (23) With regard to transactions described in s. 77.51 (1f) (c), the service
24 provider is the consumer of the service that is essential to the use or receipt of the

1 other service and shall pay the tax imposed under this subchapter on the purchase
2 price of the service that is essential to the use or receipt of the other service.

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

4 **77.522 Sourcing. (1) GENERAL.** (a) In this section:

5 1. "Direct mail form" means a form for direct mail prescribed by the
6 department.

7 2. "Receive" means taking possession of tangible personal property or items or
8 property under s. 77.52 (1) (b) or (c) or making first use of services, whichever comes
9 first. "Receive" does not include a shipping company taking possession of tangible
10 personal property or items or property under s. 77.52 (1) (b) or (c) on a purchaser's
11 behalf.

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

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

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

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

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

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

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

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

9 3. If the location of a sale of a product cannot be determined under subs. 1. and
10 2., the sale occurs at the purchaser's address as indicated by the seller's business
11 records, if the records are maintained in the ordinary course of the seller's business
12 and if using that address to establish the location of a sale is not in bad faith.

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

17 5. If the location of a sale of a product cannot be determined under subs. 1. to
18 4., the location of the sale is determined as follows:

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

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

24 (c) The sale of direct mail occurs at the location from which the direct mail is
25 shipped, if the purchaser does not provide to the seller a direct pay permit, a direct

1 mail form, or other information that indicates the appropriate taxing jurisdiction to
2 which the direct mail is delivered to the ultimate recipients. If the purchaser
3 provides a direct mail form or direct pay permit to the seller, the purchaser shall pay
4 or remit, as appropriate, to the department the tax imposed under s. 77.53 on all
5 purchases for which the tax is due and the seller is relieved from liability for
6 collecting such tax. A direct mail form provided to a seller under this paragraph shall
7 remain effective for all sales by the seller who received the form to the purchaser who
8 provided the form, unless the purchaser revokes the form in writing and provides
9 such revocation to the seller.

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

21 (b) The lease or rental of motor vehicles, trailers, semitrailers, and aircraft,
22 that are not transportation equipment, occurs at the primary location of such motor
23 vehicles, trailers, semitrailers, or aircraft as indicated by an address for the property
24 that is provided by the lessee and that is available to the lessor in records that the
25 lessor maintains in the ordinary course of the lessor's business, if the use of such an

1 address does not constitute bad faith, except that a lease or rental under this
2 paragraph that requires only one payment occurs at the location determined under
3 sub. (1) (b). The location of a lease or rental as determined under this paragraph shall
4 not be altered by any intermittent use of the property at different locations.

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

7 (d) A license of tangible personal property or items or property under s. 77.52
8 (1) (b) or (c) shall be treated as a lease or rental of tangible personal property under
9 this subsection.

10 **(3) TELECOMMUNICATIONS.** (a) In this subsection:

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

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

16 3. "Communications channel" means a physical or virtual path of
17 communications over which signals are transmitted between or among customer
18 channel termination points.

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

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

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

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

6 8. "Mobile telecommunications service" means a mobile telecommunications
7 service under 4 USC 116 to 126, as amended by P.L. 106-252.

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

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

18 14. "Radio service" means a communication service provided by the use of radio,
19 including radiotelephone, radiotelegraph, paging, and facsimile service.

20 15. "Radiotelegraph service" means transmitting messages from one place to
21 another by means of radio.

22 16. "Radiotelephone service" means transmitting sound from one place to
23 another by means of radio.

24 (b) Except as provided in pars. (d) to (j), the sale of a telecommunications service
25 that is sold on a call-by-call basis occurs in the taxing jurisdiction for sales and use

1 tax purposes where the call originates and terminates, in the case of a call that
2 originates and terminates in the same such jurisdiction, or the taxing jurisdiction for
3 sales and use tax purposes where the call originates or terminates and where the
4 service address is located.

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

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

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

16 (f) The sale of a prepaid calling service or a prepaid wireless calling service
17 occurs at the location determined under sub. (1) (b), except that, if the service is a
18 prepaid wireless calling service and the location cannot be determined under sub. (1)
19 (b) 1. to 4., the prepaid wireless calling service occurs at the location determined
20 under sub. (1) (b) 5. c. or at the location associated with the mobile telephone number,
21 as determined by the seller.

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

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

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

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

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

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

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

23 **(4) FLORISTS.** (a) For purposes of this subsection, "retail florist" means a person
24 engaged in the business of selling cut flowers, floral arrangements, and potted plants
25 and who prepares such flowers, floral arrangements, and potted plants. "Retail

1 florist” does not include a person who sells cut flowers, floral arrangements, and
2 potted plants primarily by mail or via the Internet.

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

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

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

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

1 an alleged error in the amount of the tax assessed under this subchapter on a service
2 that is subject to 4 USC 116 to 126, as amended by P.L. 106-252, or to correct an
3 alleged error in the assigned place of primary use or taxing jurisdiction, unless the
4 customer has exhausted his or her remedies under this section paragraph.

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

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

7 77.524 (1) (ag) "Agent" means a person appointed by a seller to represent the
8 seller before the states that are signatories to the agreement, as defined in s. 77.65
9 (2) (a).

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

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

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

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

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

2 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
3 on the use or consumption in this state of taxable services under s. 77.52 purchased
4 from any retailer, at the rate of 5% of the sales purchase price of those services; on
5 the storage, use, or other consumption in this state of tangible personal property and
6 items or property under s. 77.52 (1) (b) or (c) purchased from any retailer, at the rate
7 of 5% of the sales purchase price of that the property or items; and on the storage,
8 use or other consumption of tangible personal property, or items or property under
9 s. 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 2326d.** 77.53 (1b) of the statutes is created to read:

13 77.53 (1b) The storage, use, or other consumption in this state of tangible
14 personal property, and the use or other consumption in this state of a taxable service,
15 purchased from any retailer is subject to the tax imposed in this section unless an
16 exemption in this subchapter applies.

17 **SECTION 2326e.** 77.53 (1b) of the statutes, as created by 2007 Wisconsin Act
18 (this act), is repealed and recreated to read:

19 77.53 (1b) The storage, use, or other consumption in this state of tangible
20 personal property or items or property under s. 77.52 (1) (b) or (c) and the use or other
21 consumption in this state of a taxable service, purchased from any retailer is subject
22 to the tax imposed in this section unless an exemption in this subchapter applies.

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

24 77.53 (2) Every person storing, using, or otherwise consuming in this state
25 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or taxable

1 services purchased from a retailer is liable for the tax imposed by this section. The
2 person's liability is not extinguished until the tax has been paid to this state, but a
3 receipt with the tax separately stated from a retailer engaged in business in this
4 state or from a retailer who is authorized by the department, under such rules as it
5 prescribes, to collect the tax and who is regarded as a retailer engaged in business
6 in this state for purposes of the tax imposed by this section given to the purchaser
7 under sub. (3) relieves the purchaser from further liability for the tax to which the
8 receipt refers.

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

10 77.53 (3) Every retailer engaged in business in this state and making sales of
11 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or taxable
12 services ~~for delivery into this state or with knowledge directly or indirectly that the~~
13 ~~property or service is intended for storage, use or other consumption in that are~~
14 sourced to this state under s. 77.522, shall, at the time of making the sales ~~or, if the~~
15 ~~storage, use or other consumption of the tangible personal property or taxable service~~
16 ~~is not then taxable under this section, at the time the storage, use or other~~
17 ~~consumption becomes taxable, collect the tax from the purchaser and give to the~~
18 purchaser a receipt in the manner and form prescribed by the department.

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

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

21 77.53 (9) Every retailer selling tangible personal property, items or property
22 under s. 77.52 (1) (b) or (c), or taxable services for storage, use or other consumption
23 in this state shall register with the department and obtain a certificate under s. 73.03
24 (50) and give the name and address of all agents operating in this state, the location
25 of all distribution or sales houses or offices or other places of business in this state,

1 the standard industrial code classification of each place of business in this state and
2 the other information that the department requires. Any person who may register
3 under this subsection may designate an agent, as defined in s. 77.524 (1) (ag), to
4 register with the department under this subsection, in the manner prescribed by the
5 department.

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

8 77.53 (9m) (a) Any person who is not otherwise required to collect any tax
9 imposed by this subchapter and who makes sales to persons within this state of
10 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or taxable
11 services the use of which is subject to tax under this subchapter may register with
12 the department under the terms and conditions that the department imposes and
13 shall obtain a valid certificate under s. 73.03 (50) and thereby be authorized and
14 required to collect, report, and remit to the department the use tax imposed by this
15 subchapter.

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

17 77.53 (9m) (b) Any person who may register under par. (a) may designate an
18 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),
19 in the manner prescribed by the department.

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

21 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise
22 required to collect any tax imposed by this subchapter shall not be used as a factor
23 in determining whether the seller has nexus with this state for any tax at any time.

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

1 77.53 (10) For the purpose of the proper administration of this section and to
2 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that
3 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or taxable
4 services sold by any person for delivery in this state is sold for storage, use, or other
5 consumption in this state until the contrary is established. The burden of proving
6 the contrary is upon the person who makes the sale unless that person takes from
7 the purchaser ~~a~~ an electronic or paper certificate, in a manner prescribed by
8 department, to the effect that the property, items or property under s. 77.52 (1) (b)
9 or (c), or taxable service is purchased for resale, or otherwise exempt from the tax,
10 except that no certificate is required for sales of cattle, sheep, goats, and pigs that are
11 sold at an animal market, as defined in s. 95.68 (1) (ag), and no certificate is required
12 for sales of commodities, as defined in 7 USC 2, that are consigned for sale in a
13 warehouse in or from which the commodity is deliverable on a contract for future
14 delivery subject to the rules of a commodity market regulated by the U.S. commodity
15 futures trading commission if upon the sale the commodity is not removed from the
16 warehouse the sale of tangible personal property, items and property under s. 77.52
17 (1) (b) and (c), and services that are exempt under s. 77.54 (7), (7m), (8), (10), (11), (14),
18 (15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42), (44), (45), (46), (51),
19 and (52), except as provided in s. 77.54 (30) (e) and (f).

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

22 77.53 (11) (a) The certificate referred to in under sub. (10) relieves the person
23 selling the property, items or property under s. 77.52 (1) (b) or (c), or service ~~from the~~
24 burden of proof of the tax otherwise applicable only if taken in good faith the seller
25 obtains a fully completed exemption certificate, or the information required to prove

1 ~~the exemption, from a person who is engaged as a seller of tangible personal~~
2 ~~property or taxable services and who holds the permit provided for by s. 77.52 (9) and~~
3 ~~who, at the time of purchasing the purchaser no later than 90 days after the date of~~
4 ~~the sale of the tangible personal property, items or property under s. 77.52 (1) (b) or~~
5 ~~(c), or taxable service, intends to sell it in the regular course of operations or is unable~~
6 ~~to ascertain at the time of purchase whether the property or service will be sold or~~
7 ~~will be used for some other purpose, or if taken in good faith from a person claiming~~
8 ~~exemption, except as provided in par. (b). The certificate under sub. (10) shall not~~
9 ~~relieve the seller of the tax otherwise applicable if the seller fraudulently fails to~~
10 ~~collect sales tax or solicits the purchaser to claim an unlawful exemption, accepts an~~
11 ~~exemption certificate from a purchaser who claims to be an entity that is not subject~~
12 ~~to the taxes imposed under this subchapter, if the subject of the transaction sought~~
13 ~~to be covered by the exemption certificate is received by the purchaser at a location~~
14 ~~operated by the seller in this state and the exemption certificate clearly and~~
15 ~~affirmatively indicates that the claimed exemption is not available in this state. The~~
16 ~~certificate shall be signed by and bear the name and address of provide information~~
17 ~~that identifies the purchaser and shall indicate the number of the permit issued to~~
18 ~~the purchaser, the general character of tangible personal property or taxable service~~
19 ~~sold by the purchaser and the basis for the claimed exemption and a paper certificate~~
20 ~~shall be signed by the purchaser. The certificate shall be substantially in the form~~
21 ~~that the department prescribes by rule.~~

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

23 77.53 (11) (b) 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 2337.** 77.53 (12) of the statutes is amended to read:

5 77.53 (12) If a purchaser who gives a certificate makes any storage or use of
6 the property, items or property under s. 77.52 (1) (b) or (c), or service other than
7 retention, demonstration, or display while holding it for sale in the regular course
8 of operations as a seller, the storage or use is taxable as of the time the property, items
9 or property under s. 77.52 (1) (b) or (c), or service is first so stored or used.

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

11 77.53 (14) It is presumed that tangible personal property, items or property
12 under s. 77.52 (1) (b) or (c), or taxable services shipped or brought to this state by the
13 purchaser were purchased from or serviced by a retailer.

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

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

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

1 77.53 (16) If the purchase, rental or lease of tangible personal property, items
2 or property under s. 77.52 (1) (b) or (c), or service subject to the tax imposed by this
3 section was subject to a sales tax by another state in which the purchase was made,
4 the amount of sales tax paid the other state shall be applied as a credit against and
5 deducted from the tax, to the extent thereof, imposed by this section, except no credit
6 may be applied against and deducted from a sales tax paid on the purchase of direct
7 mail, if the direct mail purchaser did not provide to the seller a direct pay permit, a
8 direct mail form, or other information that indicates the appropriate taxing
9 jurisdiction to which the direct mail is delivered to the ultimate recipients. In this
10 subsection "sales tax" includes a use or excise tax imposed on the use of tangible
11 personal property, items or property under s. 77.52 (1) (b) or (c), or taxable service
12 by the state in which the sale occurred and "state" includes the District of Columbia
13 ~~but does not include~~ and the commonwealth of Puerto Rico ~~or but does not include~~
14 the several territories organized by congress.

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

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

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

1 77.53 (17m) This section does not apply to a boat purchased in a state
2 contiguous to this state, as determined under s. 77.522, by a person domiciled in that
3 state if the boat is berthed in this state's boundary waters adjacent to the state of the
4 domicile of the purchaser and if the transaction was an exempt occasional sale under
5 the laws of the state in which the purchase was made.

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

7 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

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

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

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

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

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

24 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or
25 other consumption of tangible personal property becoming an ingredient or

1 component part of an article of tangible personal property or which is consumed or
2 destroyed or loses its identity in the manufacture of tangible personal property in
3 any form destined for sale, except as provided in sub. (30) (a) 6.

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

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

14 **SECTION 2348.** 77.54 (3) (a) of the statutes, as affected by 2005 Wisconsin Act
15 366, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

1 77.54 (7m) Occasional sales of tangible personal property, items or property
2 under s. 77.52 (1) (b) or (c) or services, including admissions or tickets to an event;
3 by a neighborhood association, church, civic group, garden club, social club or similar
4 nonprofit organization; not involving entertainment for which payment in the
5 aggregate exceeds \$500 for performing or as reimbursement of expenses unless
6 access to the event may be obtained without payment of a direct or indirect admission
7 fee; conducted by the organization if the organization is not engaged in a trade or
8 business and is not required to have a seller's permit. For purposes of this
9 subsection, an organization is engaged in a trade or business and is required to have
10 a seller's permit if its sales of tangible personal property, items and property under
11 s. 77.52 (1) (b) and (c), and services, not including sales of tickets to events, and its
12 events occur on more than 20 days during the year, unless its receipts do not exceed
13 \$25,000 during the year. The exemption under this subsection does not apply to gross
14 receipts the sales price from the sale of bingo supplies to players or to the sale, rental
15 or use of regular bingo cards, extra regular cards and special bingo cards.

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

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

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

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

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

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

4 **SECTION 2357d.** 77.54 (9a) (i) of the statutes is created to read:

5 77.54 (9a) (i) A cemetery company or corporation described under section 501
6 (c) (13) of the Internal Revenue Code, if the tangible personal property or taxable
7 services are used exclusively by the cemetery company or corporation for the
8 purposes of the company or corporation.

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

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

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

15 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
16 or other consumption in this state of motor vehicle fuel, general aviation fuel or
17 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or
18 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
19 in operating a motor vehicle upon the public highways.

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

21 77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use
22 or other consumption in this state of rail freight or passenger cars, locomotives or
23 other rolling stock used in railroad operations, or accessories, attachments, parts,
24 lubricants or fuel therefor.

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

1 77.54 (13) The ~~gross receipts~~ sales price from the sales of and the storage, use
2 or other consumption in this state of commercial vessels and barges of 50-ton burden
3 or over primarily engaged in interstate or foreign commerce or commercial fishing,
4 and the accessories, attachments, parts and fuel therefor.

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

6 77.54 (14) (intro.) The ~~gross receipts~~ sales price from the sales of and the
7 storage, use, or other consumption in this state of ~~medicines~~ drugs that are any of
8 the following:

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

10 77.54 (14) (a) Prescribed for the treatment of a human being by a person
11 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by
12 a registered pharmacist in accordance with law.

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

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

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

17 77.54 (14) (f) (intro.) Furnished without charge to any of the following if the
18 ~~medicine~~ drug may not be dispensed without a prescription:

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

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

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

22 77.54 (15) The ~~gross receipts~~ sales price from the sale of and the storage, use
23 or other consumption of all newspapers, of periodicals sold by subscription and
24 regularly issued at average intervals not exceeding 3 months, or issued at average
25 intervals not exceeding 6 months by an educational association or corporation sales

1 to which are exempt under sub. (9a) (f), of controlled circulation publications sold to
2 commercial publishers for distribution without charge or mainly without charge or
3 regularly distributed by or on behalf of publishers without charge or mainly without
4 charge to the recipient and of shoppers guides which distribute no less than 48 issues
5 in a 12-month period. In this subsection, "shoppers guide" means a community
6 publication delivered, or attempted to be delivered, to most of the households in its
7 coverage area without a required subscription fee, which advertises a broad range
8 of products and services offered by several types of businesses and individuals. In
9 this subsection, "controlled circulation publication" means a publication that has at
10 least 24 pages, is issued at regular intervals not exceeding 3 months, that devotes
11 not more than 75% of its pages to advertising and that is not conducted as an
12 auxiliary to, and essentially for the advancement of, the main business or calling of
13 the person that owns and controls it.

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

15 77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use
16 or other consumption of fire trucks and fire fighting equipment, including
17 accessories, attachments, parts and supplies therefor, sold to volunteer fire
18 departments.

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

20 77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use
21 or other consumption of water, that is not food and food ingredient, when delivered
22 through mains.

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

24 77.54 (18) When the sale, lease or rental of a service or property, including
25 items and property under s. 77.52 (1) (b) and (c), that was previously exempt or not

1 taxable under this subchapter becomes taxable, and the service or property is
2 furnished under a written contract by which the seller is unconditionally obligated
3 to provide the service or property for the amount fixed under the contract, the seller
4 is exempt from sales or use tax on the ~~gross receipts~~ sales price for services or
5 property provided until the contract is terminated, extended, renewed or modified.
6 However, from the time the service or property becomes taxable until the contract
7 is terminated, extended, renewed or modified the user is subject to use tax, measured
8 by the sales purchase price, on the service or property purchased under the contract.

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

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

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

12 **77.54 (20n) (a)** The sales price from the sale of and the storage, use, or other
13 consumption of food and food ingredients, except candy, soft drinks, dietary
14 supplements, and prepared food.

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

24 (c) The sales price from the sale of and the storage, use, or other consumption
25 of food and food ingredients, furnished in accordance with any contract or agreement

1 or paid for to such institution through the use of an account of such institution, by
2 a public or private institution of higher education to any of the following:

3 1. An undergraduate student, a graduate student, or a student enrolled in a
4 professional school if the student is enrolled for credit at the public or private
5 institution of higher education and if the food and food ingredients are consumed by
6 the student.

7 2. A national football league team.

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

9 77.54 (20r) The sales price from the sales of and the storage, use, or other
10 consumption of candy, soft drinks, dietary supplements, and prepared foods, and
11 disposable products that are transferred with such items, furnished for no
12 consideration by a restaurant to the restaurant's employee during the employee's
13 work hours.

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

15 77.54 (21) The gross receipts sales price from the sales of and the storage, use
16 or other consumption of caskets and burial vaults for human remains.

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

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

19 77.54 (22b) The sales price from the sale of and the storage, use, or other
20 consumption of durable medical equipment that is for use in a person's home,
21 mobility-enhancing equipment, and prosthetic devices, and accessories for such
22 equipment or devices, if the equipment or devices are used for a human being.

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

24 77.54 (23m) The gross receipts from the sale, lease or rental of or the storage,
25 use or other consumption of motion picture film or tape, and motion pictures or radio

1 or television programs for listening, viewing, or broadcast, and advertising materials
2 related thereto, sold, leased or rented to a motion picture theater or radio or
3 television station.

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

6 77.54 (23m) The ~~gross receipts~~ sales price from the sale, license, lease or rental
7 of or the storage, use or other consumption of motion picture film or tape, and motion
8 pictures or radio or television programs for listening, viewing, or broadcast, and
9 advertising materials related thereto, sold, licensed, leased or rented to a motion
10 picture theater or radio or television station.

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

12 77.54 (25) The ~~gross receipts~~ sales price from the sale of and the storage of
13 printed material which is designed to advertise and promote the sale of merchandise,
14 or to advertise the services of individual business firms, which printed material is
15 purchased and stored for the purpose of subsequently transporting it outside the
16 state by the purchaser for use thereafter solely outside the state.

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

19 77.54 (25) The sales price from the sale of and the storage of printed material
20 which is designed to advertise and promote the sale of merchandise, or to advertise
21 the services of individual business firms, which printed material is purchased and
22 stored for the purpose of subsequently transporting it outside the state by the
23 purchaser for use thereafter solely outside the state. This subsection does not apply
24 to catalogs and the envelopes in which the catalogs are mailed.

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

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STET
~~gross receipts~~

1 77.54 (25m) The sales price from the sale of and the storage, use, or other
2 consumption of catalogs, and the envelopes in which the catalogs are mailed, that are
3 designed to advertise and promote the sale of merchandise or to advertise the
4 services of individual business firms.

5 ~~SECTION 2386.~~ 77.54 (26) of the statutes, as affected by 2007 Wisconsin Act 19,
6 is amended to read:

7 77.54 (26) The ~~gross receipts~~ sales price from the sales of and the storage, use,
8 or other consumption of tangible personal property and property under s. 77.52 (1)
9 (b) and (c) which becomes a component part of an industrial waste treatment facility
10 that is exempt under s. 70.11 (21) or that would be exempt under s. 70.11 (21) if the
11 property were taxable under ch. 70, or tangible personal property and property
12 under s. 77.52 (1) (b) and (c) which becomes a component part of a waste treatment
13 facility of this state or any agency thereof, or any political subdivision of the state or
14 agency thereof as provided in s. 40.02 (28). The exemption includes replacement
15 parts therefor, and also applies to chemicals and supplies used or consumed in
16 operating a waste treatment facility and to purchases of tangible personal property
17 and property under s. 77.52 (1) (b) and (c) made by construction contractors who
18 transfer such property to their customers in fulfillment of a real property
19 construction activity. This exemption does not apply to tangible personal property
20 and property under s. 77.52 (1) (b) and (c) installed in fulfillment of a written
21 construction contract entered into, or a formal written bid made, prior to July 31,
22 1975.

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

24 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use
25 or other consumption of waste reduction or recycling machinery and equipment,

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~~SECTION 2385 b. 77.54 (25m) of the statutes as created by 2007 Wisconsin Act 19. (this act) is amended to read: (NS ABC)~~

1 including parts therefor, exclusively and directly used for waste reduction or
2 recycling activities which reduce the amount of solid waste generated, reuse solid
3 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
4 The exemption applies even though an economically useful end product results from
5 the use of the machinery and equipment. For the purposes of this subsection, "solid
6 waste" means garbage, refuse, sludge or other materials or articles, whether these
7 materials or articles are discarded or purchased, including solid, semisolid, liquid or
8 contained gaseous materials or articles resulting from industrial, commercial,
9 mining or agricultural operations or from domestic use or from public service
10 activities.

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

12 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for
13 artificial insemination of livestock.

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

15 77.54 (28) The ~~gross receipts~~ sales price from the sale of and the storage, use
16 or other consumption to or by the ultimate consumer of ~~apparatus or equipment for~~
17 ~~the injection of insulin or the treatment of diabetes and supplies used to determine~~
18 blood sugar level.

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

20 77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use
21 or other consumption of equipment used in the production of maple syrup.

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

23 77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

24 **SECTION 2391d.** 77.54 (30) (a) 1m. of the statutes is created to read:

1 77.54 (30) (a) 1m. Biomass, as defined in s. 196.378 (1) (ar), that is used for fuel
2 sold for residential use.

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

4 77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this
5 subsection and partly for a use which is not exempt under this subsection, no tax
6 shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the
7 percentage of the fuel or electricity which is used for an exempt use, as specified in
8 an exemption certificate provided by the purchaser to the seller.

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

10 77.54 (31) The ~~gross receipts~~ sales price from the sale of and the storage, use
11 or other consumption in this state, but not the lease or rental, of used mobile homes
12 that are primary housing units under s. 340.01 (29).

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

14 77.54 (32) The ~~gross receipts~~ sales price from charges, including charges for a
15 search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record
16 that a person may examine and use under s. 16.61 (12) or for copies of a record under
17 s. 19.35 (1).

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

19 77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or
20 other consumption of ~~medieines~~ drugs used on farm livestock, not including
21 workstock.

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

23 77.54 (35) The ~~gross receipts~~ sales price from the sales of tangible personal
24 property, items or property under s. 77.52 (1) (b) or (c), tickets or admissions by any

1 baseball team affiliated with the Wisconsin Department of American Legion
2 baseball.

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

4 77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period
5 of one month or more of a mobile home, as defined in s. 66.0435 (1) (d), that is used
6 as a residence. In this subsection, "one month" means a calendar month or 30 days,
7 whichever is less, counting the first day of the rental and not counting the last day
8 of the rental.

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

10 77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.
11 146.70 (3) and the surcharge established by rule by the public service commission
12 under s. 146.70 (3m) (f) for customers of wireless providers, as defined in s. 146.70
13 (3m) (a) 6.

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

15 77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use
16 or other consumption of snowmobile trail groomers and attachments for them that
17 are purchased, stored, used or consumed by a snowmobile club that meets at least
18 3 times a year, that has at least 10 members, that promotes snowmobiling and that
19 participates in the department of natural resources' snowmobile program under s.
20 350.12 (4) (b).

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

22 77.54 (39) The ~~gross receipts~~ sales price from the sale of and the storage, use
23 or other consumption of off-highway, heavy mechanical equipment such as feller
24 bunchers, slashers, delimiters, chippers, hydraulic loaders, loaders,
25 skidder-forwarders, skidders, timber wagons and tractors used exclusively and

1 directly in the harvesting or processing of raw timber products in the field by a person
2 in the logging business. In this subsection, "heavy mechanical equipment" does not
3 include hand tools such as axes, chains, chain saws and wedges.

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

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

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

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

12 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use
13 or other consumption of animal identification tags provided under s. 93.06 (1h) and
14 standard samples provided under s. 93.06 (1s).

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

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

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

22 77.54 (44) The ~~gross receipts~~ sales price from the collection of low-income
23 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

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

1 77.54 (45) The gross receipts sales price from the sale of and the use or other
2 consumption of a onetime license or similar right to purchase admission to
3 professional football games at a football stadium, as defined in s. 229.821 (6), that
4 is granted by a municipality; a local professional football stadium district; or a
5 professional football team or related party, as defined in s. 229.821 (12); if the person
6 who buys the license or right is entitled, at the time the license or right is transferred
7 to the person, to purchase admission to at least 3 professional football games in this
8 state during one football season.

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

10 77.54 (46) The gross receipts sales price from the sale of and the storage, use,
11 or other consumption of the U.S. flag or the state flag. This subsection does not apply
12 to a representation of the U.S. flag or the state flag.

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

14 77.54 (46m) The gross receipts sales price from the sale of and the storage, use,
15 or other consumption of telecommunications services, if the telecommunications
16 services are obtained by using the rights to purchase telecommunications services,
17 including purchasing reauthorization numbers, by paying in advance and by using
18 an access number and authorization code; and if the tax imposed under s. 77.52 or
19 77.53 was previously paid on the sale or purchase of such rights.

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

21 77.54 (47) (intro.) The gross receipts sales price from the sale of and the storage,
22 use, or other consumption of all of the following:

23 **SECTION 2410.** 77.54 (47) (b) 1. of the statutes is amended to read:

24 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
25 s. 77.52 on its gross receipts the sales price from charges for shooting at the facility.

SECTION 2410d

1 **SECTION 2410d.** 77.54 (47) (b) 2. of the statutes is amended to read:

2 77.54 (47) (b) 2. The shooting facility is a nonprofit organization that charges
3 for shooting at the facility, but is not required to pay the tax imposed under s. 77.52
4 on its gross receipts from such charges because the charges are for occasional sales,
5 as provided under sub. (7m), or because the charges satisfy the exemption under s.
6 77.52 (2) (a) 2. b.

7 **SECTION 2410e.** 77.54 (47) (b) 2. of the statutes, as affected by 2007 Wisconsin
8 Act (this act), is amended to read:

9 77.54 (47) (b) 2. The shooting facility is a nonprofit organization that charges
10 for shooting at the facility, but is not required to pay the tax imposed under s. 77.52
11 on its ~~gross receipts~~ the sales price from such charges because the charges are for
12 occasional sales, as provided under sub. (7m), or because the charges satisfy the
13 exemption under s. 77.52 (2) (a) 2. b.

14 **SECTION 2411.** 77.54 (48) (a) of the statutes is amended to read:
15

16 77.585 (9) (a) Subject to 2005 Wisconsin Act 479, section 17, ~~the gross receipts~~
17 ~~from the sale of and the storage, use, or other consumption~~ a purchaser may claim
18 as a deduction that portion of its purchase price of Internet equipment used in the
19 broadband market for which the tax was imposed under this subchapter, if the
20 purchaser certifies to the department of commerce, in the manner prescribed by the
21 department of commerce, that the purchaser will, within 24 months after July 1,
22 2007, make an investment that is reasonably calculated to increase broadband
23 Internet availability in this state. The purchaser shall claim the deduction in the
24 same reporting period as the purchaser paid the tax imposed under this subchapter.

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

As created by
2005 Wisconsin Act
479

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

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

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

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

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

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

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

2 77.54 (54) The gross receipts from the sale of and the storage, use, or other
3 consumption of tangible personal property and taxable services that are sold by a
4 home exchange service that receives moneys from the appropriation account under
5 s. 20.485 (1) (g) and is operated by the department of veterans affairs.

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

8 77.54 (54) The sales price from the sale of and the storage, use, or other
9 consumption of tangible personal property and taxable services that are sold by a
10 home exchange service that receives moneys from the appropriation account under
11 s. 20.485 (1) (g) and is operated by the department of veterans affairs.

12 **SECTION 2419c.** 77.54 (56) of the statutes is created to read:

13 77.54 (56) (a) The gross receipts from the sale of and the storage, use, or other
14 consumption of a product whose power source is wind energy, direct radiant energy
15 received from the sun, or gas generated from anaerobic digestion of animal manure
16 and other agricultural waste, if the product produces at least 200 watts of alternating
17 current or 600 British thermal units per day, except that the exemption under this
18 subsection does not apply to an uninterruptible power source that is designed
19 primarily for computers.

20 (b) Except for the sale of electricity or energy that is exempt from taxation
21 under sub. (30), the gross receipts from the sale of and the storage, use, or other
22 consumption of electricity or energy produced by a product described under par. (a).

23 **SECTION 2419cm.** 77.54 (56) of the statutes, as affected by 2007 Wisconsin Act
24 (this act), is repealed and recreated to read:

1 77.54 (56) (a) The sales price from the sale of and the storage, use, or other
2 consumption of a product whose power source is wind energy, direct radiant energy
3 received from the sun, or gas generated from anaerobic digestion of animal manure
4 and other agricultural waste, if the product produces at least 200 watts of alternating
5 current or 600 British thermal units per day, except that the exemption under this
6 subsection does not apply to an uninterruptible power source that is designed
7 primarily for computers.

8 (b) Except for the sale of electricity or energy that is exempt from taxation
9 under sub. (30), the sales price from the sale of and the storage, use, or other
10 consumption of electricity or energy produced by a product described under par. (a).

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

12 77.55 (1) (intro.) There are is exempted from the computation of the amount
13 of the sales tax the ~~gross receipts~~ sales price from the sale of any tangible personal
14 property, items or property under s. 77.52 (1) (b) or (c), or services to:

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

16 77.55 (2) There are is exempted from the computation of the amount of the sales
17 tax the ~~gross receipts~~ sales price from sales of tangible personal property, and items
18 and property under s. 77.52 (1) (b) and (c), to a common or contract carrier, shipped
19 by the seller via the purchasing carrier under a bill of lading whether the freight is
20 paid in advance, or the shipment is made freight charges collect, to a point outside
21 this state and the property or item is actually transported to the out-of-state
22 destination for use by the carrier in the conduct of its business as a carrier.

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

24 77.55 (2m) There are is exempted from the computation of the amount of sales
25 tax the ~~gross receipts~~ sales price from sales of railroad crossties to a common or

1 contract carrier, shipped wholly or in part by way of the purchasing carrier under a
2 bill of lading, whether the freight is paid in advance or the shipment is made freight
3 charges collect, to a point outside this state if the property is transported to the
4 out-of-state destination for use by the carrier in the conduct of its business as a
5 carrier. Interruption of the shipment for storage, drying, processing or creosoting of
6 the railroad crossties in this state does not invalidate the exemption under this
7 subsection.

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

9 77.55 (3) There are is exempted from the computation of the amount of the sales
10 tax the ~~gross receipts~~ sales price from sales of tangible personal property, and items
11 and property under s. 77.52 (1) (b) and (c), purchased for use solely outside this state
12 and delivered to a forwarding agent, export packer, or other person engaged in the
13 business of preparing goods for export or arranging for their exportation, and
14 actually delivered to a port outside the continental limits of the United States prior
15 to making any use thereof.

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

17 77.56 (1) The storage, use or other consumption in this state of property,
18 including items and property under s. 77.52 (1) (b) and (c), the ~~gross receipts~~ sales
19 price from the sale of which are is reported to the department in the measure of the
20 sales tax, is exempted from the use tax.

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

22 **77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller
23 that the property or items or property under s. 77.52 (1) (b) or (c) purchased will be
24 used in a manner or for a purpose entitling the seller to regard the ~~gross receipts~~ sales
25 price from the sale as exempted by this subchapter from the computation of the

1 amount of the sales tax and uses the property or items or property under s. 77.52 (1)
2 (b) or (c) in some other manner or for some other purpose, the purchaser is liable for
3 payment of the sales tax. The tax shall be measured by the sales price of the property
4 or items or property under s. 77.52 (1) (b) or (c) to the purchaser, but if the taxable
5 use first occurs more than 6 months after the sale to the purchaser, the purchaser
6 may use as the measure of the tax either that sales price or the fair market value of
7 the property at the time the taxable use first occurs.

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

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

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

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

1 ~~or use tax return filed by a purchaser, the return shall show the total sales price of~~
2 ~~the property and taxable services purchased, the storage, use or consumption of~~
3 ~~which became subject to the use tax during the preceding reporting period. The~~
4 return shall also show the amount of the taxes for the period covered by the return
5 and such other information as the department deems necessary for the proper
6 administration of this subchapter.

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

8 77.58 (6) For the purposes of the sales tax ~~gross receipts~~, the sales price from
9 rentals or leases of tangible personal property or items or property under s. 77.52 (1)
10 (b) or (c) shall be reported and the tax paid in accordance with such rules as the
11 department prescribes.

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

13 77.58 (6m) (a) The department may, in cases where it is satisfied that an undue
14 hardship would otherwise result, permit the reporting of a sales price or purchase
15 price on some basis other than the accrual basis.

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

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

21 77.58 (9a) In addition to filing a return as provided in this section, a person
22 described under s. 77.524 (3), (4), or (5) shall provide to the department any
23 information that the department considers necessary for the administration of this
24 subchapter, in the manner prescribed by the department, except that the

1 department may not require that the person provide such information to the
2 department more than once every 180 days.

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

4 **77.585 Return adjustments. (1)** (a) In this subsection, "bad debt" means the
5 portion of the sales price or purchase price that the seller has reported as taxable
6 under this subchapter and that the seller may claim as a deduction under section 166
7 of the Internal Revenue Code. "Bad debt" does not include financing charges or
8 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible
9 amounts on property or items or property under s. 77.52 (1) (b) or (c) that remain in
10 the seller's possession until the full sales price or purchase price is paid, expenses
11 incurred in attempting to collect any debt, debts sold or assigned to 3rd parties for
12 collection, and repossessed property or items.

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

1 (c) For purposes of computing a bad debt deduction or reporting a payment
2 received on a previously claimed bad debt, any payment made on a debt or on an
3 account is applied first to the price of the property, items or property under s. 77.52
4 (1) (b) or (c), or service sold, and the proportionate share of the sales tax on the
5 property, items or property under s. 77.52 (1) (b) or (c), or service, and then to interest,
6 service charges, and other charges related to the sale.

7 (d) A seller may obtain a refund of the tax collected on any bad debt amount
8 deducted under par. (b) that exceeds the amount of the seller's taxable sales as
9 provided under s. 77.59 (4), except that the period for making a claim as determined
10 under s. 77.59 (4) begins on the date on which the return on which the bad debt could
11 be claimed would have been required to be submitted to the department under s.
12 77.58.

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

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

1 (2) If a lessor of tangible personal property or items or property under s. 77.52
2 (1) (b) or (c) has reimbursed the vendor for the sales tax on the sale of the property
3 or items by the vendor to the lessor, the tax due from the lessor on the rental receipts
4 may be offset by a credit equal to the tax otherwise due on the rental receipts from
5 the property or items for the reporting period. The credit shall expire when the
6 cumulative rental receipts equal the sales price upon which the vendor paid sales
7 taxes to this state.

8 (3) If a purchaser of tangible personal property or items or property under s.
9 77.52 (1) (b) or (c) has reimbursed the vendor of the property or items for the sales
10 tax on the sale and subsequently, before making any use of the property or items
11 other than retention, demonstration, or display while holding it for sale or rental,
12 makes a taxable sale of the property or items, the tax due on the taxable sale may
13 be offset by the tax reimbursed.

14 (4) A seller may claim a deduction on any part of the sales price or purchase
15 price that the seller refunds in cash or credit as a result of returned property or items
16 or property under s. 77.52 (1) (b) or (c) or adjustments in the sales price or purchase
17 price after the sale has been completed, if the seller has included the refunded price
18 in a prior return made by the seller and has paid the tax on such price, and if the seller
19 has returned to the purchaser in cash or in credit all tax previously paid by the
20 purchaser on the amount of the refund at the time of the purchase. A deduction
21 under this subsection shall be claimed on the return for the period in which the
22 refund is paid.

23 (5) No reduction in the amount of tax payable by the retailer is allowable in the
24 event property or items or property under s. 77.52 (1) (b) or (c) sold on credit are

1 repossessed except where the entire consideration paid by the purchaser is refunded
2 to the purchaser or where a credit for a worthless account is allowable under sub. (1).

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

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

11 (8) A sale or purchase involving transfer of ownership of property or items or
12 property under s. 77.52 (1) (b) or (c) is completed at the time when possession is
13 transferred by the seller or the seller's agent to the purchaser or the purchaser's
14 agent, except that for purposes of sub. (1) a common carrier or the U.S. postal service
15 shall be considered the agent of the seller, regardless of any f.o.b. point and
16 regardless of the method by which freight or postage is paid.

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

18 77.59 (2m) The department may audit, or may authorize others to audit, sellers
19 and certified service providers who are registered with the department pursuant to
20 the agreement, as defined in s. 77.65 (2) (a).

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

22 77.59 (5m) A seller who receives a refund under sub. (4) (a) or (b) of taxes that
23 the seller has collected from buyers, who collects amounts as taxes erroneously from
24 buyers, but who does not remit such amounts to the state, or who is entitled to a
25 refund under sub. (4) (a) or (b) that is offset under sub. (5), shall submit the taxes and

1 related interest to the buyers from whom the taxes were collected, or to the
2 department if the seller cannot locate the buyers, within 90 days after the date of the
3 refund, after the date of the offset, or after discovering that the seller has collected
4 taxes erroneously from the buyers. If the seller does not submit the taxes and related
5 interest to the department or the buyers within that period, the seller shall submit
6 to the department any part of a refund or taxes that the seller does not submit to a
7 buyer or to the department along with a penalty of 25% of the amount not submitted
8 or, in the case of fraud, a penalty equal to the amount not submitted. A person who
9 collects amounts as taxes erroneously from buyers for a real property construction
10 activity or nontaxable service may reduce the taxes and interest that he or she is
11 required to submit to the buyer or to the department under this subsection for that
12 activity or service by the amount of tax and interest subsequently due and paid on
13 the sale of or the storage, use, or other consumption of tangible personal property or
14 items or property under s. 77.52 (1) (b) or (c) that is are used by the person in that
15 activity or service and transferred to the buyer.

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

17 77.59 (7) If the department believes that the collection of any tax imposed by
18 this subchapter will be jeopardized by delay, it shall notify the person determined to
19 owe the tax of its intention to proceed under s. 71.91 (5) for collection of the amount
20 determined to be owing, including penalties and interest. Such notice shall be by
21 certified or registered mail or by personal service and the warrant of the department
22 shall not issue if the person, within 10 days after such notice furnishes a bond in such
23 amount not exceeding double the amount determined to be owing and with such
24 sureties as the department approves, conditioned upon the payment of so much of
25 the taxes, interest, and penalties as shall finally be determined to be due. Nothing

1 in this subsection shall affect the review of determinations of tax as provided in this
2 subchapter and any amounts collected under this subsection shall be deposited with
3 the ~~secretary of administration~~ department and disbursed after final determination
4 of the taxes as are amounts deposited under ss. 71.89 (1) and 71.90 (2).

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

6 77.59 (9) If any person fails to file a return, the department shall make an
7 estimate of the amount of the ~~gross receipts~~ sales price of the ~~person~~ person's sales,
8 or, as the case may be, of the amount of the total ~~sales~~ purchase price of tangible
9 personal property, ~~items or property~~ under s. 77.52 (1) (b) or (c), or taxable service
10 sold or purchased by the person, the sale by or the storage, use, or other consumption
11 of which in this state is subject to sales or use tax. The estimate shall be made for
12 the period in respect to which the person failed to make a return and shall be based
13 upon any information which is in the department's possession or may come into its
14 possession. Upon the basis of this estimate the department shall compute and
15 determine the amount required to be paid to the state, adding to the sum thus arrived
16 at a penalty equal to 25% thereof. One or more such determinations may be made
17 for one or for more than one period. When a business is discontinued a determination
18 may be made at any time thereafter, within the periods specified in sub. (3), as to
19 liability arising out of that business.

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

21 77.59 (9n) (a) Notwithstanding s. 73.03 (47), no seller or certified service
22 provider is liable for tax, interest, or penalties imposed on a transaction under this
23 subchapter in the circumstances covered under sections 306, 328, and 502 of the
24 agreement, as defined in s. 77.65 (2) (a).

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

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

5 77.59 (9p) (b) If a customer purchases a service that is not subject to 4 USC 116
6 to 126, as amended by P.L. 106-252, or tangible personal property or items or
7 property under s. 77.52 (1) (b) or (c), and if the customer believes that the amount of
8 the tax assessed for the sale of the service, property or items under this subchapter
9 is erroneous, the customer may request that the seller correct the alleged error by
10 sending a written notice to the seller. The notice shall include a description of the
11 alleged error and any other information that the seller reasonably requires to process
12 the request. Within 60 days from the date that a seller receives a request under this
13 paragraph, the seller shall review its records to determine the validity of the
14 customer's claim. If the review indicates that there is no error as alleged, the seller
15 shall explain the findings of the review in writing to the customer. If the review
16 indicates that there is an error as alleged, the seller shall correct the error and shall
17 refund the amount of any tax collected erroneously, along with the related interest,
18 as a result of the error from the customer, consistent with s. 77.59 (4). A customer
19 may take no other action against the seller, or commence any action against the
20 seller, to correct an alleged error in the amount of the tax assessed under this
21 subchapter on a service that is not subject to 4 USC 116 to 126, as amended by P.L.
22 106-252, or tangible personal property or items or property under s. 77.52 (1) (b) or
23 (c) unless the customer has exhausted his or her remedies under this paragraph.

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

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

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

8 77.60 (13) A person who uses any of the following documents in a manner that
9 is prohibited by or inconsistent with this subchapter, or provides incorrect
10 information to a seller or certified service provider related to the use of such
11 documents or regarding an exemption to the taxes imposed under this subchapter,
12 shall pay a penalty of \$250 for each invoice or bill of sale related to the prohibited or
13 inconsistent use or incorrect information:

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

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

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

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

18 77.61 (1) (b) In the case of ~~a motor vehicle~~ motor vehicles, boats, snowmobiles,
19 mobile homes not exceeding 45 feet in length, trailers, semitrailers, all-terrain
20 vehicles, or aircraft purchased from a licensed ~~Wisconsin motor vehicle dealer~~
21 retailer, the registrant shall present proof that the tax has been paid to such dealer
22 retailer.

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

24 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, mobile homes
25 not exceeding 45 feet in length, trailers, semitrailers, all-terrain vehicles or aircraft

1 registered or titled, or required to be registered or titled, in this state purchased from
2 persons who are not ~~Wisconsin boat, trailer or semitrailer dealers, licensed~~
3 ~~Wisconsin aircraft, motor vehicle or mobile home dealers or registered Wisconsin~~
4 ~~snowmobile or all-terrain vehicle dealers~~ retailers, the purchaser shall file a sales
5 tax return and pay the tax prior to registering or titling the motor vehicle, boat,
6 snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,
7 all-terrain vehicle or aircraft in this state.

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

10 77.61 (2) (intro.) In order to protect the revenue of the state:

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

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

SECTION 2444

1 77.61 (2) (b) A certified service provider who has contracted with a seller, and
2 filed an application, to collect and remit sales and use taxes imposed under this
3 subchapter on behalf of the seller shall submit a surety bond to the department to
4 guarantee the payment of sales and use taxes, including any penalty and interest on
5 such payment. The department shall approve the form and contents of a bond
6 submitted under this paragraph and shall determine the amount of such bond. The
7 surety bond shall be submitted to the department within 60 days after the date on
8 which the department notifies the certified service provider that the certified service
9 provider is registered to collect sales and use taxes imposed under this subchapter.
10 If the department determines, with regards to any one certified service provider, that
11 no bond is necessary to protect the tax revenues of this state, the secretary of revenue
12 or the secretary's designee may waive the requirements under this paragraph with
13 regard to that certified service provider. Any bond submitted under this paragraph
14 shall remain in force until the secretary of revenue or the secretary's designee
15 releases the liability under the bond.

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

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

18 77.61 (3m) A retailer shall use a straight mathematical computation to
19 determine the amount of the tax that the retailer may collect from the retailer's
20 customers. The retailer shall calculate the tax amount by combining the applicable
21 tax rates under this subchapter and subch. V and multiplying the combined tax rate
22 by the sales price or purchase price of each item or invoice, as appropriate. The
23 retailer shall calculate the tax amount to the 3rd decimal place, disregard tax
24 amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less
25 than 1 cent to be an additional cent. The use of a straight mathematical computation,

1 as provided in this subsection, shall not relieve the retailer from liability for payment
2 of the full amount of the tax levied under this subchapter.

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

4 77.61 (4) (a) Every seller and retailer and every person storing, using or
5 otherwise consuming in this state tangible personal property, items or property
6 under s. 77.52 (1) (b) or (c), or taxable services purchased from a retailer shall keep
7 such records, receipts, invoices, and other pertinent papers and records, including
8 machine-readable records, in such form as the department requires. The
9 department may, after giving notice, require any person to keep whatever records are
10 needed for the department to compute the sales or use taxes the person should pay.
11 Thereafter, the department shall add to any taxes assessed on the basis of
12 information not contained in the records required a penalty of 25% of the amount of
13 the tax so assessed in addition to all other penalties under this chapter.

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

15 77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax
16 imposed on the retailer under s. 77.53 (3) and the accounting connected with it,
17 retailers, not including certified service providers that receive compensation under
18 s. 73.03 (61) (h), may deduct 0.5% of those taxes payable or \$10 for that reporting
19 period required under s. 77.58 (1), whichever is greater, but not more than the
20 amount of the sales taxes or use taxes that is payable under ss. 77.52 (1) and 77.53
21 (3) for that reporting period required under s. 77.58 (1), as administration expenses
22 if the payment of the taxes is not delinquent. For purposes of calculating the
23 retailer's discount under this paragraph, the taxes on retail sales reported by
24 retailers under subch. V, including taxes collected and remitted as required under
25 s. 77.785, shall be included if the payment of those taxes is not delinquent.