

State of Wisconsin













LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 03/21/2008 (Per: CMH)

Compile Draft – Appendix E

... Part 02 of 03 ...

- | | |
|---|--|
| A  The <u>2007</u> drafting file for
LRB-3832 | G  The <u>2007</u> drafting file for
LRB-4296 |
| B  The <u>2007</u> drafting file for
LRB-4188 | H  The <u>2007</u> drafting file for
LRB-4297 |
| C  The <u>2007</u> drafting file for
LRB-4292 | I  The <u>2007</u> drafting file for
LRB-4298 |
| D  The <u>2007</u> drafting file for
LRB-4293 | J  The <u>2007</u> drafting file for
LRB-4299 |
| E  The <u>2007</u> drafting file for
LRB-4294 | K  The <u>2007</u> drafting file for
LRB-4300 |
| F  The <u>2007</u> drafting file for
LRB-4295 | L  The <u>2007</u> drafting file for
LRB-4301 |

2007 LRB-4294 has been copied/added to the drafting file for

2007 LRBb1275

(SA 1 to AB 1) (Mr8)

1 **SECTION 90.** 77.51 (14) (i) of the statutes is repealed.

2 **SECTION 91.** 77.51 (14) (j) of the statutes is amended to read:

3 77.51 (14) (j) The granting of possession of tangible personal property or items
4 or property under s. 77.52 (1) (b) or (c) by a lessor to a lessee, or to another person at
5 the direction of the lessee. Such a transaction is deemed a continuing sale in this
6 state ~~by the lessor for the duration of the lease as respects any period of time the~~
7 ~~leased property is situated in this state, irrespective of the time or place of delivery~~
8 ~~of the property to the lessee or such other person.~~

9 **SECTION 92.** 77.51 (14) (k) of the statutes is repealed.

10 **SECTION 93.** 77.51 (14) (L) of the statutes is repealed.

11 **SECTION 94.** 77.51 (14g) (a) of the statutes is amended to read:

12 77.51 (14g) (a) The transfer of property or items or property under s. 77.52 (1)
13 (b) or (c) to a corporation upon its organization solely in consideration for the issuance
14 of its stock;

15 **SECTION 95.** 77.51 (14g) (b) of the statutes is amended to read:

16 77.51 (14g) (b) The contribution of property or items or property under s. 77.52
17 (1) (b) or (c) to a newly formed partnership solely in consideration for a partnership
18 interest therein;

19 **SECTION 96.** 77.51 (14g) (bm) of the statutes is amended to read:

20 77.51 (14g) (bm) The contribution of property or items or property under s.
21 77.52 (1) (b) or (c) to a limited liability company upon its organization solely in
22 consideration for a membership interest;

23 **SECTION 97.** 77.51 (14g) (c) of the statutes is amended to read:

1 77.51 (14g) (c) The transfer of property or items or property under s. 77.52 (1)
2 (b) or (c) to a corporation, solely in consideration for the issuance of its stock,
3 pursuant to a merger or consolidation;

4 **SECTION 98.** 77.51 (14g) (cm) of the statutes is amended to read:

5 77.51 (14g) (cm) The transfer of property or items or property under s. 77.52
6 (1) (b) or (c) to a limited liability company, solely in consideration for a membership
7 interest, pursuant to a merger;

8 **SECTION 99.** 77.51 (14g) (d) of the statutes is amended to read:

9 77.51 (14g) (d) The distribution of property or items or property under s. 77.52
10 (1) (b) or (c) by a corporation to its stockholders as a dividend or in whole or partial
11 liquidation;

12 **SECTION 100.** 77.51 (14g) (e) of the statutes is amended to read:

13 77.51 (14g) (e) The distribution of property or items or property under s. 77.52
14 (1) (b) or (c) by a partnership to its partners in whole or partial liquidation;

15 **SECTION 101.** 77.51 (14g) (em) of the statutes is amended to read:

16 77.51 (14g) (em) The distribution of property or items or property under s.
17 77.52 (1) (b) or (c) by a limited liability company to its members in whole or partial
18 liquidation;

19 **SECTION 102.** 77.51 (14g) (f) of the statutes is amended to read:

20 77.51 (14g) (f) Repossession of property or items or property under s. 77.52 (1)
21 (b) or (c) by the seller from the purchaser when the only consideration is cancellation
22 of the purchaser's obligation to pay the remaining balance of the purchase price;

23 **SECTION 103.** 77.51 (14g) (g) of the statutes is amended to read:

1 77.51 (14g) (g) The transfer of property or items or property under s. 77.52 (1)
2 (b) or (c) in a reorganization as defined in section 368 of the internal revenue code
3 in which no gain or loss is recognized for franchise or income tax purposes; or

4 **SECTION 104.** 77.51 (14g) (h) of the statutes is amended to read:

5 77.51 (14g) (h) Any transfer of all or substantially all the property or items or
6 property under s. 77.52 (1) (b) or (c) held or used by a person in the course of an
7 activity requiring the holding of a seller's permit, if after the transfer the real or
8 ultimate ownership of the property or items is substantially similar to that which
9 existed before the transfer. For the purposes of this section, stockholders,
10 bondholders, partners, members or other persons holding an interest in a
11 corporation or other entity are regarded as having the real or ultimate ownership of
12 the property or items of the corporation or other entity. In this paragraph,
13 “substantially similar” means 80% or more of ownership.

14 **SECTION 105.** 77.51 (14r) of the statutes is repealed.

15 **SECTION 106.** 77.51 (15) of the statutes, as affected by 2007 Wisconsin Act 11,
16 is repealed.

17 **SECTION 107.** 77.51 (15a) of the statutes is created to read:

18 77.51 (15a) (a) “Sales, lease, or rental for resale, sublease, or subrent” includes
19 transfers of tangible personal property or items or property under s. 77.52 (1) (b) or
20 (c) to a service provider that the service provider transfers in conjunction with but
21 not incidental to the selling, performing, or furnishing of any service, and transfers
22 of tangible personal property or items or property under s. 77.52 (1) (b) or (c) to a
23 service provider that the service provider physically transfers in conjunction with
24 the selling, performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., or 20.
25 This paragraph does not apply to sub. (2).

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

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

7 2. Any sale of tangible personal property or items or property under s. 77.52
8 (1) (b) or (c) to a purchaser even though such property or items may be used or
9 consumed by some other person to whom such purchaser transfers the property or
10 items without valuable consideration, such as gifts, and advertising specialties
11 distributed at no charge and apart from the sale of other tangible personal property,
12 items or property under s. 77.52 (1) (b) or (c), or service.

13 3. Transfers of tangible personal property or items or property under s. 77.52
14 (1) (b) or (c) to a service provider that the service provider transfers in conjunction
15 with the selling, performing, or furnishing of any service, if the tangible personal
16 property or items or property under s. 77.52 (1) (b) or (c) are incidental to the service,
17 unless the service provider is selling, performing, or furnishing services under s.
18 77.52 (2) (a) 7., 10., 11., or 20.

19 **SECTION 108.** 77.51 (15b) of the statutes is created to read:

20 77.51 (15b) (a) "Sales price" means the total amount of consideration, including
21 cash, credit, property, and services, for which tangible personal property, items or
22 property under s. 77.52 (1) (b) or (c), or services are sold, leased, or rented, valued in
23 money, whether received in money or otherwise, without any deduction for the
24 following:

1 1. The seller's cost of the property or items or property under s. 77.52 (1) (b) or
2 (c) sold.

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

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

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

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

17 5. Installation charges.

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

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

22 2. Interest, financing, and carrying charges from credit that is extended on a
23 sale of tangible personal property, items or property under s. 77.52 (1) (b) or (c), or
24 services, if the amount of the interest, financing, or carrying charges is separately

1 stated on the invoice, bill of sale, or similar document that the seller gives to the
2 purchaser.

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

6 4. Delivery charges for direct mail.

7 5. In all transactions in which an article of tangible personal property, an item
8 under s. 77.52 (1) (b), or property under s. 77.52 (1) (c) is traded toward the purchase
9 of an article, item, or property of greater value, the amount of the sales price that
10 represents the amount allowed for the article, item, or property traded, except that
11 this subdivision does not apply to any transaction to which subd. 7. or 8. applies.

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

19 7. Thirty-five percent of the sales price, excluding trade-ins, of a new
20 manufactured home, as defined in s. 101.91 (11) . This subdivision does not apply
21 to a lease or rental.

22 8. At the retailer's option; except that after the retailer chooses an option the
23 retailer may not use the other option for other sales without the department's written
24 approval; either 35 percent of the sales price of a modular home, as defined in s.

1 101.71 (6), or an amount equal to the sales price of the home minus the cost of
2 materials that become an ingredient or component part of the home.

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

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

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

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

12 4. One of the following also applies:

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

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

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

23 **SECTION 109.** 77.51 (17) (intro.) of the statutes, as affected by 2007 Wisconsin
24 Act 20, is amended to read:

1 77.51 (17) (intro.) “Seller” includes every person selling, leasing, or renting
2 tangible personal property or items or property under s. 77.52 (1) (b) or (c) or selling,
3 performing, or furnishing services of a kind the ~~gross receipts~~ sales price from the
4 sale, lease, rental, performance, or furnishing of which ~~are~~ is required to be included
5 in the measure of the sales tax, regardless of all of the following:

6 **SECTION 110.** 77.51 (17m) of the statutes is repealed and recreated to read:

7 77.51 (17m) “Service address” means any of the following:

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

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

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

20 **SECTION 111.** 77.51 (17w) of the statutes is created to read:

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

25 **SECTION 112.** 77.51 (18) of the statutes is amended to read:

1 77.51 (18) "Storage" includes any keeping or retention in this state of tangible
2 personal property or items or property under s. 77.52 (1) (b) or (c) purchased from a
3 retailer for any purpose except sale in the regular course of business.

4 **SECTION 113.** 77.51 (20) of the statutes is amended to read:

5 77.51 (20) "Tangible personal property" means ~~all tangible~~ personal property
6 ~~of every kind and description that can be seen, weighed, measured, felt, or touched,~~
7 ~~or that is in any other manner perceptible to the senses,~~ and includes electricity,
8 natural gas, steam and, water, and ~~also leased property affixed to realty if the lessor~~
9 ~~has the right to remove the property upon breach or termination of the lease~~
10 ~~agreement, unless the lessor of the property is also the lessor of the realty to which~~
11 ~~the property is affixed. "Tangible personal property" also includes coins and stamps~~
12 ~~of the United States sold or traded as collectors' items above their face value and~~
13 ~~computer programs except custom computer programs~~ prewritten computer
14 software, but does not include items or property under s. 77.52 (1) (b) or (c).

15 **SECTION 114.** 77.51 (21) of the statutes is amended to read:

16 77.51 (21) "Taxpayer" means the person who is required to pay, collect, or
17 account for or who is otherwise directly interested in the taxes imposed by this
18 subchapter, including a certified service provider.

19 **SECTION 115d.** 77.51 (21m) of the statutes is amended to read:

20 77.51 (21m) "Telecommunications and Internet access services" means
21 sending messages and information transmitted through the use of local, toll and
22 wide-area telephone service; channel services; telegraph services; teletypewriter;
23 computer exchange services; cellular mobile telecommunications service; specialized
24 mobile radio; stationary two-way radio; paging service; or any other form of mobile
25 and portable one-way or two-way communications; or any other transmission of

1 messages or information by electronic or similar means between or among points by
2 wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities.
3 “Telecommunications and Internet access services” does not include sending collect
4 telecommunications that are received outside of the state.

5 **SECTION 115e.** 77.51 (21m) of the statutes, as affected by 2007 Wisconsin Act
6 (this act), is repealed and recreated to read:

7 **77.51 (21m)** “Internet access services” means sending messages and
8 information transmitted through the use of local, toll and wide-area telephone
9 service; channel services; telegraph services; teletypewriter; computer exchange
10 services; cellular mobile telecommunications service; specialized mobile radio;
11 stationary two-way radio; paging service; or any other form of mobile and portable
12 one-way or two-way communications; or any other transmission of messages or
13 information by electronic or similar means between or among points by wire, cable,
14 fiber optics, laser, microwave, radio, satellite or similar facilities. “Internet access
15 services” does not include telecommunications services to the extent that such
16 services are taxable under s. 77.52 (2) (a) 5. am.

17 **SECTION 115.** 77.51 (21n) of the statutes is created to read:

18 **77.51 (21n)** “Telecommunications services” means electronically transmitting,
19 conveying, or routing voice, data, audio, video, or other information or signals to a
20 point or between or among points. “Telecommunications services” includes the
21 transmission, conveyance, or routing of such information or signals in which
22 computer processing applications are used to act on the content’s form, code, or
23 protocol for transmission, conveyance, or routing purposes, regardless of whether
24 the service is referred to as a voice over Internet protocol service or classified by the

1 federal communications commission as an enhanced or value-added service.

2 “Telecommunications services” does not include any of the following:

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

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

8 (c) Tangible personal property.

9 (d) Advertising, including directory advertising.

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

11 (f) Internet access services.

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

17 (h) Ancillary services.

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

20 **SECTION 116.** 77.51 (21p) of the statutes is created to read:

21 77.51 (21p) “Tobacco” means cigarettes, cigars, chewing tobacco, pipe tobacco,
22 and any other item that contains tobacco.

23 **SECTION 117.** 77.51 (21q) of the statutes is created to read:

24 77.51 (21q) “Transferred electronically” means accessed or obtained by the
25 purchaser by means other than tangible storage media.

1 **SECTION 118.** 77.51 (22) (a) of the statutes is amended to read:

2 77.51 (22) (a) "Use" includes the exercise of any right or power over tangible
3 personal property, items or property under s. 77.52 (1) (b) or (c), or taxable services
4 incident to the ownership, possession or enjoyment of the property, items, or services,
5 or the results produced by the services, including installation or affixation to real
6 property and including the possession of, or the exercise of any right or power over
7 tangible personal property or items or property under s. 77.52 (1) (b) or (c) by a lessee
8 under a lease, except that "use" does not include the activities under sub. (18).

9 **SECTION 119.** 77.51 (22) (b) of the statutes is amended to read:

10 77.51 (22) (b) In this subsection "enjoyment" includes a purchaser's right to
11 direct the disposition of property or items or property under s. 77.52 (1) (b) or (c),
12 whether or not the purchaser has possession of the property or items. "Enjoyment"
13 also includes, but is not limited to, having shipped into this state by an out-of-state
14 supplier printed material which is designed to promote the sale of property, items or
15 property under s. 77.52 (1) (b) or (c), or services, or which is otherwise related to the
16 business activities, of the purchaser of the printed material or printing service.

17 **SECTION 120.** 77.51 (22) (bm) of the statutes is created to read:

18 77.51 (22) (bm) In this subsection, "exercise of any right or power over tangible
19 personal property, items or property under s. 77.52 (1) (b) or (c), or taxable services"
20 includes distributing, selecting recipients, determining mailing schedules, or
21 otherwise directing the distribution, dissemination, or disposal of tangible personal
22 property, items or property under s. 77.52 (1) (b) or (c), or taxable services, regardless
23 of whether the purchaser of such property, items, or services owns or physically
24 possesses, in this state, the property, items, or services.

25 **SECTION 121.** 77.51 (24) of the statutes is created to read:

1 77.51 (24) “Value-added non-voice data service” means a service in which
2 computer processing applications are used to act on the form, content, code, or
3 protocol of the data provided by the service and are used primarily for a purpose other
4 than for transmitting, conveying, or routing data.

5 **SECTION 122.** 77.51 (25) of the statutes is created to read:

6 77.51 (25) “Vertical service” means an ancillary service that is provided with
7 one or more telecommunications services and allows customers to identify callers
8 and to manage multiple calls and call connections, including conference bridging
9 services.

10 **SECTION 123.** 77.51 (26) of the statutes is created to read:

11 77.51 (26) “Voice mail service” means an ancillary service that allows a
12 customer to store, send, or receive recorded messages, not including any vertical
13 service that the customer must have to use the voice mail service.

14 **SECTION 124.** 77.52 (1) of the statutes is renumbered 77.52 (1) (a) and amended
15 to read:

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

22 **SECTION 125.** 77.52 (1) (b) of the statutes is created to read:

23 77.52 (1) (b) For the privilege of selling at retail coins and stamps of the United
24 States that are sold or traded as collectors’ items above their face value, a tax is

1 imposed on all retailers at the rate of 5 percent of the sales price from the sale of such
2 coins and stamps.

3 **SECTION 126.** 77.52 (1) (c) of the statutes is created to read:

4 77.52 (1) (c) For the privilege of leasing property that is affixed to real property,
5 a tax is imposed on all retailers at the rate of 5 percent of the sales price from the lease
6 of such property, if the lessor has the right to remove the leased property upon breach
7 or termination of the lease agreement, unless the lessor of the leased property is also
8 the lessor of the real property to which the leased property is affixed.

9 **SECTION 127.** 77.52 (1b) of the statutes, as created by 2007 Wisconsin Act 20,
10 is repealed and recreated to read:

11 77.52 (1b) All sales, leases, or rentals of tangible personal property or items
12 or property under sub. (1) (b) or (c) at retail in this state are subject to the tax imposed
13 under sub. (1) unless an exemption in this subchapter applies.

14 **SECTION 128.** 77.52 (2) (intro.) of the statutes is amended to read:

15 77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing
16 the services described under par. (a) at retail in this state, as determined under s.
17 77.522, to consumers or users, a tax is imposed upon all persons selling, licensing,
18 performing or furnishing the services at the rate of 5% of the ~~gross receipts~~ sales price
19 from the sale, license, performance or furnishing of the services.

20 **SECTION 129d.** 77.52 (2) (a) 5. a. of the statutes is amended to read:

21 77.52 (2) (a) 5. a. The sale of telecommunications and Internet access services,
22 except services subject to 4 USC 116 to 126, as amended by P.L. 106-252, that either
23 originate or terminate in this state; except services that are obtained by means of a
24 toll-free number, that originate outside this state and that terminate in this state;
25 and are charged to a service address in this state, regardless of the location where

1 that charge is billed or paid; and the sale of the rights to purchase
2 telecommunications services, including purchasing reauthorization numbers, by
3 paying in advance and by using an access number and authorization code, except
4 sales that are subject to subd. 5. b.

5 **SECTION 129.** 77.52 (2) (a) 5. a. of the statutes, as affected by 2007 Wisconsin
6 Act (this act), is repealed and recreated to read:

7 77.52 (2) (a) 5. a. The sale of Internet access services.

8 **SECTION 130.** 77.52 (2) (a) 5. am. of the statutes is created to read:

9 77.52 (2) (a) 5. am. The sale of intrastate, interstate, and international
10 telecommunications services, except interstate 800 services.

11 **SECTION 131.** 77.52 (2) (a) 5. b. of the statutes is repealed.

12 **SECTION 132.** 77.52 (2) (a) 5. c. of the statutes is created to read:

13 77.52 (2) (a) 5. c. The sale of ancillary services, except detailed
14 telecommunications billing services.

15 **SECTION 133.** 77.52 (2) (a) 5m. of the statutes is amended to read:

16 77.52 (2) (a) 5m. The sale of services that consist of recording
17 telecommunications messages and transmitting them to the purchaser of the service
18 or at that purchaser's direction, but not including those services if they are merely
19 ~~an~~ that are taxable under subd. 5. or services that are incidental, as defined in s.
20 77.51 (5), ~~element of to~~ another service that is not taxable under this subchapter and
21 ~~sold to that~~ the purchaser of the incidental service and is not taxable under this
22 ~~subchapter.~~

23 **SECTION 134.** 77.52 (2) (a) 10. of the statutes is amended to read:

24 77.52 (2) (a) 10. Except for services provided by veterinarians and except for
25 installing or applying tangible personal property that, subject to par. (ag), when

SECTION 134

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

21 **SECTION 135m.** 77.52 (2) (a) 11. of the statutes, as affected by 2007 Wisconsin
22 Act 20, is amended to read:

23 77.52 (2) (a) 11. The producing, fabricating, processing, printing, or imprinting
24 of tangible personal property or items or property under sub. (1) (b) or (c) for a
25 consideration for consumers who furnish directly or indirectly the materials used in

1 the producing, fabricating, processing, printing, or imprinting. This subdivision
2 does not apply to the printing or imprinting of tangible personal property or items
3 or property under sub. (1) (b) or (c) that results in printed material, catalogs, or
4 envelopes that are exempt under s. 77.54 (25) or (25m).

5 **SECTION 135.** 77.52 (2) (a) 13m. of the statutes is created to read:

6 77.52 (2) (a) 13m. The sale of contracts, including service contracts,
7 maintenance agreements, and warranties, that provide, in whole or in part, for the
8 future performance of or payment for the repair, service, alteration, fitting, cleaning,
9 painting, coating, towing, inspection, or maintenance of tangible personal property
10 or items or property under sub. (1) (b) or (c), unless the sale, lease, or rental in this
11 state of the property or items to which the contract relates is or was exempt, to the
12 purchaser of the contract, from taxation under this subchapter.

13 **SECTION 136.** 77.52 (2m) (a) of the statutes is amended to read:

14 77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part
15 of the charge for the service may be deemed a sale or rental of tangible personal
16 property or items or property under sub. (1) (b) or (c) if the property or items
17 transferred by the service provider ~~is~~ are incidental to the selling, performing or
18 furnishing of the service, except as provided in par. (b).

19 **SECTION 137.** 77.52 (2m) (b) of the statutes is amended to read:

20 77.52 (2m) (b) With respect to the services subject to tax under sub. (2) (a) 7.,
21 10., 11. and 20., all property or items or property under sub. (1) (b) or (c) physically
22 transferred, or transferred electronically, to the customer in conjunction with the
23 selling, performing or furnishing of the service is a sale of tangible personal property
24 or items or property under sub. (1) (b) or (c) separate from the selling, performing or
25 furnishing of the service.

1 **SECTION 138.** 77.52 (2n) of the statutes, as created by 2007 Wisconsin Act 20,
2 is repealed and recreated to read:

3 **77.52 (2n)** The selling, licensing, performing, or furnishing of the services
4 described under sub. (2) (a) at retail in this state, as determined under s. 77.522, is
5 subject to the tax imposed under sub. (2) unless an exemption in this subchapter
6 applies.

7 **SECTION 139.** 77.52 (3m) of the statutes is repealed.

8 **SECTION 140.** 77.52 (3n) of the statutes is repealed.

9 **SECTION 141.** 77.52 (4) of the statutes is amended to read:

10 **77.52 (4)** It is unlawful for any retailer to advertise or hold out or state to the
11 public or to any customer, directly or indirectly, that the tax or any part thereof will
12 be assumed or absorbed by the retailer or that it will not be added to the selling price
13 of the property or items or property under sub. (1) (b) or (c) sold or that if added it,
14 or any part thereof, will be refunded. Any person who violates this subsection is
15 guilty of a misdemeanor.

16 **SECTION 142.** 77.52 (6) of the statutes is repealed.

17 **SECTION 143.** 77.52 (7) of the statutes is amended to read:

18 **77.52 (7)** Every person desiring to operate as a seller within this state who
19 holds a valid certificate under s. 73.03 (50) shall file with the department an
20 application for a permit for each place of operations. Every application for a permit
21 shall be made upon a form prescribed by the department and shall set forth the name
22 under which the applicant intends to operate, the location of the applicant's place of
23 operations, and the other information that the department requires. The Except as
24 provided in sub. (7b), the application shall be signed by the owner if a sole proprietor;
25 in the case of sellers other than sole proprietors, the application shall be signed by

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

7 **SECTION 144.** 77.52 (7b) of the statutes is created to read:

8 77.52 (7b) Any person who may register under sub. (7) may designate an agent,
9 as defined in s. 77.524 (1) (ag), to register with the department under sub. (7), in the
10 manner prescribed by the department.

11 **SECTION 145.** 77.52 (12) of the statutes is amended to read:

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

23 **SECTION 146.** 77.52 (13) of the statutes is amended to read:

24 77.52 (13) For the purpose of the proper administration of this section and to
25 prevent evasion of the sales tax it shall be presumed that all receipts are subject to

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

16 SECTION 147. 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are
17 consolidated, renumbered 77.52 (14) (a) and amended to read:

18 77.52 (14) (a) The certificate referred to in sub. (13) relieves the seller from the
19 burden of proof of the tax otherwise applicable only if any of the following is true:
20 1. The certificate is taken in good faith the seller obtains a fully completed exemption
21 certificate, or the information required to prove the exemption, from a person who
22 is engaged as a seller of tangible personal property or taxable services and who holds
23 the permit provided for in sub. (9) and who, at the time of purchasing purchaser no
24 later than 90 days after the date of the sale of the tangible personal property, items
25 or property under sub. (1) (b) or (c), or services, intends to sell it in the regular course

1 ~~of operations or is unable to ascertain at the time of purchase whether the property~~
2 ~~or service will be sold or will be used for some other purpose. (b) except as provided~~
3 in par. (am). The certificate under sub. (13) shall not relieve the seller of the tax
4 otherwise applicable if the seller fraudulently fails to collect sales tax, solicits the
5 purchaser to claim an unlawful exemption, accepts an exemption certificate from a
6 purchaser who claims to be an entity that is not subject to the taxes imposed under
7 this subchapter, if the subject of the transaction sought to be covered by the
8 exemption certificate is received by the purchaser at a location operated by the seller
9 in this state and the exemption certificate clearly and affirmatively indicates that
10 the claimed exemption is not available in this state. The certificate referred to in sub.
11 (13) ~~shall be signed by and bear the name and address of~~ provide information that
12 identifies the purchaser, and shall indicate ~~the general character of the tangible~~
13 ~~personal property or service sold by the purchaser and the basis for the claimed~~
14 ~~exemption~~ and a paper certificate shall be signed by the purchaser. The certificate
15 shall be in such form as the department prescribes by rule.

16 **SECTION 148.** 77.52 (14) (a) 2. of the statutes is repealed.

17 **SECTION 149.** 77.52 (14) (am) of the statutes is created to read:

18 77.52 (14) (am) If the seller has not obtained a fully completed exemption
19 certificate or the information required to prove the exemption, as provided in par. (a),
20 the seller may, no later than 120 days after the department requests that the seller
21 substantiate the exemption, either provide proof of the exemption to the department
22 by other means or obtain, in good faith, a fully completed exemption certificate from
23 the purchaser.

24 **SECTION 150.** 77.52 (15) of the statutes is amended to read:

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

13 **SECTION 151.** 77.52 (16) of the statutes is amended to read:

14 77.52 (16) Any person who gives a resale certificate for property, items or
15 property under sub. (1) (b) or (c), or services which that person knows at the time of
16 purchase is not to be resold by that person in the regular course of that person's
17 operations as a seller for the purpose of evading payment to the seller of the amount
18 of the tax applicable to the transaction is guilty of a misdemeanor. Any person
19 certifying to the seller that the sale of property, items or property under sub. (1) (b)
20 or (c), or taxable service is exempt, knowing at the time of purchase that it is not
21 exempt, for the purpose of evading payment to the seller of the amount of the tax
22 applicable to the transaction, is guilty of a misdemeanor.

23 **SECTION 152d.** 77.52 (17m) (b) 6. of the statutes is amended to read:

24 77.52 (17m) (b) 6. The applicant purchases enough tangible personal property
25 or items or property under sub. (1) (b) or (c) under circumstances that make it

1 difficult to determine whether the property or items will be subject to a tax under this
2 subchapter.

3 **SECTION 152.** 77.52 (19) of the statutes is amended to read:

4 **77.52 (19)** The department shall by rule provide for the efficient collection of
5 the taxes imposed by this subchapter on sales of property, items or property under
6 sub. (1) (b) or (c), or services by persons not regularly engaged in selling at retail in
7 this state or not having a permanent place of business, but who are temporarily
8 engaged in selling from trucks, portable roadside stands, concessions at fairs and
9 carnivals, and the like. The department may authorize such persons to sell property
10 or items or property under sub. (1) (b) or (c) or sell, perform, or furnish services on
11 a permit or nonpermit basis as the department by rule prescribes and failure of any
12 person to comply with such rules constitutes a misdemeanor.

13 **SECTION 153.** 77.52 (20) of the statutes is created to read:

14 **77.52 (20) (a)** Except as provided in par. (b), the entire sales price of a bundled
15 transaction is subject to the tax imposed under this subchapter.

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

24 **SECTION 154.** 77.52 (21) of the statutes is created to read:

1 **77.52 (21)** A person who provides a product that is not a distinct and
2 identifiable product because it is provided free of charge, as provided in s. 77.51 (3pf)
3 (b), is the consumer of that product and shall pay the tax imposed under this
4 subchapter on the purchase price of that product.

5 **SECTION 155.** 77.52 (22) of the statutes is created to read:

6 **77.52 (22)** With regard to transactions described in s. 77.51 (1f) (b), the service
7 provider is the consumer of the tangible personal property or items or property under
8 sub. (1) (b) or (c) and shall pay the tax imposed under this subchapter on the purchase
9 price of the property or items.

10 **SECTION 156.** 77.52 (23) of the statutes is created to read:

11 **77.52 (23)** With regard to transactions described in s. 77.51 (1f) (c), the service
12 provider is the consumer of the service that is essential to the use or receipt of the
13 other service and shall pay the tax imposed under this subchapter on the purchase
14 price of the service that is essential to the use or receipt of the other service.

15 **SECTION 157.** 77.522 of the statutes is created to read:

16 **77.522 Sourcing. (1) GENERAL.** (a) In this section:

17 1. “Direct mail form” means a form for direct mail prescribed by the
18 department.

19 2. “Receive” means taking possession of tangible personal property or items or
20 property under s. 77.52 (1) (b) or (c); making first use of services; or taking possession
21 or making first use of digital goods, whichever comes first. “Receive” does not include
22 a shipping company taking possession of tangible personal property or items or
23 property under s. 77.52 (1) (b) or (c) on a purchaser’s behalf.

24 3. “Transportation equipment” means any of the following:

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

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

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

11 d. Containers that are designed for use on the vehicles described in subd. 3. a.
12 to c. and component parts attached to or secured on such vehicles.

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

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

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

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

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

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

7 a. If the item sold is tangible personal property or items or property under s.
8 77.52 (1) (b) or (c), the sale occurs at the location from which the tangible personal
9 property or items or property under s. 77.52 (1) (b) or (c) is shipped.

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

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

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

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

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

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

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

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

2 1. “Air-to-ground radiotelephone service” means a radio service in which
3 common carriers are authorized to offer and provide radio telecommunications
4 service for hire to subscribers in aircraft.

5 2. “Call-by-call basis” means any method of charging for telecommunications
6 services by which the price of such services is measured by individual calls.

7 3. “Communications channel” means a physical or virtual path of
8 communications over which signals are transmitted between or among customer
9 channel termination points.

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

17 5. “Customer channel termination point” means the location where a customer
18 inputs or receives communications.

19 6. “End user” means the person who uses a telecommunications service. In the
20 case of an entity, “end user” means the individual who uses the telecommunications
21 service on the entity’s behalf.

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

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

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

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

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

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

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

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

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

SECTION 157

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

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

9 (f) The sale of a prepaid calling service or a prepaid wireless calling service
10 occurs at the location determined under sub. (1) (b), except that, if the service is a
11 prepaid wireless calling service and the location cannot be determined under sub. (1)
12 (b) 1. to 4., the prepaid wireless calling service occurs at the location determined
13 under sub. (1) (b) 5. c. or at the location associated with the mobile telephone number,
14 as determined by the seller.

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

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

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

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

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

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

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

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

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

22 **SECTION 158.** 77.523 (title) of the statutes is repealed.

23 **SECTION 159.** 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended
24 to read:

1 77.59 (9p) (a) If a customer purchases a service that is subject to 4 USC 116
2 to 126, as amended by P.L. 106–252, and if the customer believes that the amount
3 of the tax assessed for the service under this subchapter or the place of primary use
4 or taxing jurisdiction assigned to the service is erroneous, the customer may request
5 that the service provider correct the alleged error by sending a written notice to the
6 service provider. The notice shall include a description of the alleged error, the street
7 address for the customer’s place of primary use of the service, the account name and
8 number of the service for which the customer seeks a correction, and any other
9 information that the service provider reasonably requires to process the request.
10 Within 60 days from the date that a service provider receives a request under this
11 ~~section paragraph~~, the service provider shall review its records to determine the
12 customer’s taxing jurisdiction. If the review indicates that there is no error as
13 alleged, the service provider shall explain the findings of the review in writing to the
14 customer. If the review indicates that there is an error as alleged, the service
15 provider shall correct the error and shall refund or credit the amount of any tax
16 collected erroneously, along with the related interest, as a result of the error from the
17 customer in the previous 48 months, consistent with s. 77.59 (4). A customer may
18 take no other action against the service provider, or commence any action, to correct
19 an alleged error in the amount of the tax assessed under this subchapter on a service
20 that is subject to 4 USC 116 to 126, as amended by P.L. 106–252, or to correct an
21 alleged error in the assigned place of primary use or taxing jurisdiction, unless the
22 customer has exhausted his or her remedies under this ~~section paragraph~~.

23 **SECTION 160.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

24 **SECTION 161.** 77.524 (1) (ag) of the statutes is created to read:

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

4 **SECTION 162.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g) and
5 amended to read:

6 77.51 (1g) "Certified service provider" means an agent that is certified jointly
7 by the states that are signatories to the agreement, as defined in s. 77.65 (2) (a), and
8 that performs all of a seller's sales tax and use tax functions related to the seller's
9 retail sales, except that a certified service provider is not responsible for a retailer's
10 obligation to remit tax on the retailer's own purchases.

11 **SECTION 163.** 77.525 of the statutes is amended to read:

12 **77.525 Reduction to prevent double taxation.** Any person who is subject
13 to the tax under s. 77.52 (2) (a) 5. ~~a.~~ on telecommunications services that terminate
14 in this state and who has paid a similar tax on the same services to another state may
15 reduce the amount of the tax remitted to this state by an amount equal to the similar
16 tax properly paid to another state on those services or by the amount due this state
17 on those services, whichever is less. That person shall refund proportionally to the
18 persons to whom the tax under s. 77.52 (2) (a) 5. ~~a.~~ was passed on an amount equal
19 to the amounts not remitted.

20 **SECTION 164.** 77.53 (1) of the statutes is amended to read:

21 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
22 on the use or consumption in this state of taxable services under s. 77.52 purchased
23 from any retailer, at the rate of 5% of the sales purchase price of those services; on
24 the storage, use or other consumption in this state of tangible personal property and
25 items or property under s. 77.52 (1) (b) or (c) purchased from any retailer, at the rate

1 of 5% of the ~~sales purchase~~ price of that ~~the~~ property or items; and on the storage,
2 use or other consumption of tangible personal property or items or property under
3 s. 77.52 (1) (b) or (c) manufactured, processed or otherwise altered, in or outside this
4 state, by the person who stores, uses or consumes it, from material purchased from
5 any retailer, at the rate of 5% of the ~~sales purchase~~ price of that material.

6 **SECTION 165.** 77.53 (1b) of the statutes, as created by 2007 Wisconsin Act 20,
7 is repealed and recreated to read:

8 77.53 (1b) The storage, use, or other consumption in this state of tangible
9 personal property or items or property under s. 77.52 (1) (b) or (c), and the use or other
10 consumption in this state of a taxable service, purchased from any retailer is subject
11 to the tax imposed in this section unless an exemption in this subchapter applies.

12 **SECTION 166.** 77.53 (2) of the statutes is amended to read:

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

23 **SECTION 167.** 77.53 (3) of the statutes is amended to read:

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

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

8 **SECTION 168.** 77.53 (4) of the statutes is repealed.

9 **SECTION 169.** 77.53 (9) of the statutes is amended to read:

10 77.53 (9) Every retailer selling tangible personal property, items or property
11 under s. 77.52 (1) (b) or (c), or taxable services for storage, use or other consumption
12 in this state shall register with the department and obtain a certificate under s. 73.03
13 (50) and give the name and address of all agents operating in this state, the location
14 of all distribution or sales houses or offices or other places of business in this state,
15 the standard industrial code classification of each place of business in this state and
16 the other information that the department requires. Any person who may register
17 under this subsection may designate an agent, as defined in s. 77.524 (1) (ag), to
18 register with the department under this subsection, in the manner prescribed by the
19 department.

20 **SECTION 170.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and
21 amended to read:

22 77.53 (9m) (a) Any person who is not otherwise required to collect any tax
23 imposed by this subchapter and who makes sales to persons within this state of
24 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or taxable
25 services the use of which is subject to tax under this subchapter may register with

1 the department under the terms and conditions that the department imposes and
2 shall obtain a valid certificate under s. 73.03 (50) and thereby be authorized and
3 required to collect, report, and remit to the department the use tax imposed by this
4 subchapter.

5 **SECTION 171.** 77.53 (9m) (b) of the statutes is created to read:

6 77.53 (9m) (b) Any person who may register under par. (a) may designate an
7 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),
8 in the manner prescribed by the department.

9 **SECTION 172.** 77.53 (9m) (c) of the statutes is created to read:

10 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise
11 required to collect any tax imposed by this subchapter shall not be used as a factor
12 in determining whether the seller has nexus with this state for any tax at any time.

13 **SECTION 173.** 77.53 (10) of the statutes is amended to read:

14 77.53 (10) For the purpose of the proper administration of this section and to
15 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that
16 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or taxable
17 services sold by any person for delivery in this state is sold for storage, use, or other
18 consumption in this state until the contrary is established. The burden of proving
19 the contrary is upon the person who makes the sale unless that person takes from
20 the purchaser ~~a~~ an electronic or paper certificate, in a manner prescribed by
21 department, to the effect that the property, items or property under s. 77.52 (1) (b)
22 or (c), or taxable service is purchased for resale, or otherwise exempt from the tax,
23 except that no certificate is required for sales of cattle, sheep, goats, and pigs that are
24 sold at an animal market, as defined in s. 95.68 (1) (ag), and no certificate is required
25 for sales of commodities, as defined in 7 USC 2, that are consigned for sale in a

1 ~~warehouse in or from which the commodity is deliverable on a contract for future~~
2 ~~delivery subject to the rules of a commodity market regulated by the U.S. commodity~~
3 ~~futures trading commission if upon the sale the commodity is not removed from the~~
4 ~~warehouse the sale of tangible personal property, items or property under s. 77.52~~
5 ~~(1) (b) or (c), and services that are exempt under s. 77.54 (7), (7m), (8), (10), (11), (14),~~
6 ~~(15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42), (44), (45), (46), (51),~~
7 ~~and (52), except as provided in s. 77.54 (30) (e) and (f).~~

8 **SECTION 174.** 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and
9 amended to read:

10 77.53 (11) (a) The certificate ~~referred to in~~ under sub. (10) relieves the person
11 selling the property, items or property under s. 77.52 (1) (b) or (c), or service from the
12 burden of proof of the tax otherwise applicable only if taken in good faith the seller
13 obtains a fully completed exemption certificate, or the information required to prove
14 the exemption, from a person who is engaged as a seller of tangible personal property
15 or taxable services and who holds the permit provided for by s. 77.52 (9) and who, at
16 the time of purchasing the purchaser no later than 90 days after the date of the sale
17 of the tangible personal property, items or property under s. 77.52 (1) (b) or (c), or
18 taxable service, intends to sell it in the regular course of operations or is unable to
19 ascertain at the time of purchase whether the property or service will be sold or will
20 be used for some other purpose, or if taken in good faith from a person claiming
21 exemption, except as provided in par. (b). The certificate under sub. (10) shall not
22 relieve the seller of the tax otherwise applicable if the seller fraudulently fails to
23 collect sales tax or solicits the purchaser to claim an unlawful exemption, accepts an
24 exemption certificate from a purchaser who claims to be an entity that is not subject
25 to the taxes imposed under this subchapter, if the subject of the transaction sought

1 to be covered by the exemption certificate is received by the purchaser at a location
2 operated by the seller in this state and the exemption certificate clearly and
3 affirmatively indicates that the claimed exemption is not available in this state. The
4 certificate shall ~~be signed by and bear the name and address of~~ provide information
5 that identifies the purchaser and shall indicate ~~the number of the permit issued to~~
6 ~~the purchaser, the general character of tangible personal property or taxable service~~
7 ~~sold by the purchaser and the basis for the claimed exemption and a paper certificate~~
8 shall be signed by the purchaser. The certificate shall be substantially in the form
9 that the department prescribes by rule.

10 **SECTION 175.** 77.53 (11) (b) of the statutes is created to read:

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

17 **SECTION 176.** 77.53 (12) of the statutes is amended to read:

18 77.53 (12) If a purchaser who gives a certificate makes any storage or use of
19 the property, items or property under s. 77.52 (1) (b) or (c), or service other than
20 retention, demonstration, or display while holding it for sale in the regular course
21 of operations as a seller, the storage or use is taxable as of the time the property, items
22 or property under s. 77.52 (1) (b) or (c), or service is first so stored or used.

23 **SECTION 177.** 77.53 (14) of the statutes is amended to read:

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

4 **SECTION 178.** 77.53 (15) of the statutes is amended to read:

5 77.53 (15) It is presumed that tangible personal property, items or property
6 under s. 77.52 (1) (b) or (c), or taxable services delivered outside this state to ~~a~~
7 ~~purchaser known by the retailer to be~~ a resident of this state were purchased from
8 a retailer for storage, use, or other consumption in this state and stored, used, or
9 otherwise consumed in this state. ~~This presumption may be controverted by a~~
10 ~~written statement, signed by the purchaser or an authorized representative, and~~
11 ~~retained by the seller that the property or service was purchased for use at a~~
12 ~~designated point outside this state.~~ This presumption may also be controverted by
13 other evidence satisfactory to the department that the property, item, or service was
14 not purchased for storage, use, or other consumption in this state.

15 **SECTION 179.** 77.53 (16) of the statutes is amended to read:

16 77.53 (16) If the purchase, rental or lease of tangible personal property, items
17 or property under s. 77.52 (1) (b) or (c), or service subject to the tax imposed by this
18 section was subject to a sales tax by another state in which the purchase was made,
19 the amount of sales tax paid the other state shall be applied as a credit against and
20 deducted from the tax, to the extent thereof, imposed by this section, except no credit
21 may be applied against and deducted from a sales tax paid on the purchase of direct
22 mail, if the direct mail purchaser did not provide to the seller a direct pay permit, a
23 direct mail form, or other information that indicates the appropriate taxing
24 jurisdiction to which the direct mail is delivered to the ultimate recipients. In this
25 subsection "sales tax" includes a use or excise tax imposed on the use of tangible

1 personal property, items or property under s. 77.52 (1) (b) or (c), or taxable service
2 by the state in which the sale occurred and "state" includes the District of Columbia
3 ~~but does not include~~ and the commonwealth of Puerto Rico ~~or but does not include~~
4 the several territories organized by congress.

5 SECTION 180. 77.53 (17) of the statutes, as affected by 2007 Wisconsin Act 11,
6 is amended to read:

7 77.53 (17) This section does not apply to tangible personal property or items
8 or property under s. 77.52 (1) (b) or (c) purchased outside this state, as determined
9 under s. 77.522, other than motor vehicles, boats, snowmobiles, recreational
10 vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles and
11 airplanes registered or titled or required to be registered or titled in this state, which
12 is brought into this state by a nondomiciliary for the person's own storage, use or
13 other consumption while temporarily within this state when such property or item
14 is not stored, used or otherwise consumed in this state in the conduct of a trade,
15 occupation, business or profession or in the performance of personal services for
16 wages or fees.

17 SECTION 181. 77.53 (17m) of the statutes is amended to read:

18 77.53 (17m) This section does not apply to a boat purchased in a state
19 contiguous to this state, as determined under s. 77.522, by a person domiciled in that
20 state if the boat is berthed in this state's boundary waters adjacent to the state of the
21 domicile of the purchaser and if the transaction was an exempt occasional sale under
22 the laws of the state in which the purchase was made.

23 SECTION 182. 77.53 (17r) (a) of the statutes is amended to read:

24 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

1 **SECTION 183.** 77.53 (18) of the statutes, as affected by 2007 Wisconsin Act 11,
2 is amended to read:

3 **77.53 (18)** This section does not apply to the storage, use or other consumption
4 in this state of household goods or items or property under s. 77.52 (1) (b) or (c) for
5 personal use or to aircraft, motor vehicles, boats, snowmobiles, mobile homes,
6 manufactured homes, as defined in s. 101.91 (2), recreational vehicles, as defined in
7 s. 340.01 (48r), trailers, semitrailers and all-terrain vehicles, for personal use,
8 purchased by a nondomiciliary of this state outside this state, as determined under
9 s. 77.522, 90 days or more before bringing the goods, items, or property into this state
10 in connection with a change of domicile to this state.

11 **SECTION 184.** 77.54 (1) of the statutes is amended to read:

12 **77.54 (1)** The ~~gross receipts~~ sales price from the sale of and the storage, use or
13 other consumption in this state of tangible personal property, items and property
14 under s. 77.52 (1) (b) and (c) and services the ~~gross receipts~~ sales price from the sale
15 of which, or the storage, use or other consumption of which, this state is prohibited
16 from taxing under the constitution or laws of the United States or under the
17 constitution of this state.

18 **SECTION 185.** 77.54 (2) of the statutes is amended to read:

19 **77.54 (2)** The ~~gross receipts~~ sales price from sales of and the storage, use or
20 other consumption of tangible personal property becoming an ingredient or
21 component part of an article of tangible personal property or which is consumed or
22 destroyed or loses its identity in the manufacture of tangible personal property in
23 any form destined for sale, except as provided in sub. (30) (a) 6.

24 **SECTION 186.** 77.54 (2m) of the statutes is amended to read:

1 77.54 (2m) The ~~gross receipts~~ sales price from the sales of and the storage, use
2 or other consumption of tangible personal property or services that become an
3 ingredient or component of shoppers guides, newspapers or periodicals or that are
4 consumed or lose their identity in the manufacture of shoppers guides, newspapers
5 or periodicals, whether or not the shoppers guides, newspapers or periodicals are
6 transferred without charge to the recipient. In this subsection, “shoppers guides”,
7 “newspapers” and “periodicals” have the meanings under sub. (15). The exemption
8 under this subdivision does not apply to advertising supplements that are not
9 newspapers.

10 **SECTION 187.** 77.54 (3) (a) of the statutes, as affected by 2005 Wisconsin Act
11 366, is amended to read:

12 77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use,
13 or other consumption of tractors and machines, including accessories, attachments,
14 and parts, lubricants, nonpowered equipment, and other tangible personal property
15 that are used exclusively and directly, or are consumed or lose their identities, in the
16 business of farming, including dairy farming, agriculture, horticulture, floriculture,
17 silviculture, and custom farming services, but excluding automobiles, trucks, and
18 other motor vehicles for highway use; excluding personal property that is attached
19 to, fastened to, connected to, or built into real property or that becomes an addition
20 to, component of, or capital improvement of real property; and excluding tangible
21 personal property used or consumed in the erection of buildings or in the alteration,
22 repair or improvement of real property, regardless of any contribution that that
23 personal property makes to the production process in that building or real property
24 and regardless of the extent to which that personal property functions as a machine,
25 except as provided in par. (c).

1 **SECTION 188.** 77.54 (3m) (intro.) of the statutes, as affected by 2005 Wisconsin
2 Act 366, is amended to read:

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

7 **SECTION 189.** 77.54 (4) of the statutes is amended to read:

8 77.54 **(4)** ~~Gross receipts~~ The sales price from the sale of tangible personal
9 property ~~and items and property under s. 77.52 (1) (b) and (c)~~, and the storage, use
10 or other consumption in this state of tangible personal property and items and
11 property under s. 77.52 (1) (b) and (c) which is the subject of any such sale, by any
12 elementary school or secondary school, exempted as such from payment of income or
13 franchise tax under ch. 71, whether public or private.

14 **SECTION 190.** 77.54 (5) (intro.) of the statutes is amended to read:

15 77.54 **(5)** (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
16 use or other consumption of:

17 **SECTION 191.** 77.54 (6) (intro.) of the statutes is amended to read:

18 77.54 **(6)** (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
19 use or other consumption of:

20 **SECTION 192.** 77.54 (7m) of the statutes is amended to read:

21 77.54 **(7m)** Occasional sales of tangible personal property, items or property
22 under s. 77.52 (1) (b) and (c), or services, including admissions or tickets to an event;
23 by a neighborhood association, church, civic group, garden club, social club or similar
24 nonprofit organization; not involving entertainment for which payment in the
25 aggregate exceeds \$500 for performing or as reimbursement of expenses unless

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

11 **SECTION 193.** 77.54 (8) of the statutes is amended to read:

12 77.54 (8) Charges for ~~interest, financing or insurance, not including contracts~~
13 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the
14 invoice given by the seller to the purchaser.

15 **SECTION 194.** 77.54 (9) of the statutes is amended to read:

16 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
17 public and private elementary and secondary school activities, where the entire net
18 proceeds therefrom are expended for educational, religious or charitable purposes.

19 **SECTION 195.** 77.54 (9a) (intro.) of the statutes is amended to read:

20 77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage
21 by, use by or other consumption of tangible personal property, items and property
22 under s. 77.52 (1) (b) and (c), and taxable services by:

23 **SECTION 196.** 77.54 (10) of the statutes is amended to read:

24 77.54 (10) The ~~gross receipts~~ sales price from the sale of all admission fees,
25 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees

1 to any museum operated by a nonprofit corporation under a lease agreement with
2 the state historical society.

3 **SECTION 197.** 77.54 (11) of the statutes is amended to read:

4 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
5 or other consumption in this state of motor vehicle fuel, general aviation fuel or
6 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or
7 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
8 in operating a motor vehicle upon the public highways.

9 **SECTION 198.** 77.54 (12) of the statutes is amended to read:

10 77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use
11 or other consumption in this state of rail freight or passenger cars, locomotives or
12 other rolling stock used in railroad operations, or accessories, attachments, parts,
13 lubricants or fuel therefor.

14 **SECTION 199.** 77.54 (13) of the statutes is amended to read:

15 77.54 (13) The ~~gross receipts~~ sales price from the sales of and the storage, use
16 or other consumption in this state of commercial vessels and barges of 50-ton burden
17 or over primarily engaged in interstate or foreign commerce or commercial fishing,
18 and the accessories, attachments, parts and fuel therefor.

19 **SECTION 200.** 77.54 (14) (intro.) of the statutes is amended to read:

20 77.54 (14) (intro.) The ~~gross receipts~~ sales price from the sales of and the
21 storage, use, or other consumption in this state of ~~medicines~~ drugs that are any of
22 the following:

23 **SECTION 201.** 77.54 (14) (a) of the statutes is amended to read:

1 77.54 (14) (a) Prescribed for the treatment of a human being by a person
2 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by
3 a registered pharmacist in accordance with law.

4 **SECTION 202.** 77.54 (14) (b) of the statutes is amended to read:

5 77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist
6 to a patient who is a human being for treatment of the patient.

7 **SECTION 203.** 77.54 (14) (f) (intro.) of the statutes is amended to read:

8 77.54 (14) (f) (intro.) Furnished without charge to any of the following if the
9 medicine drug may not be dispensed without a prescription:

10 **SECTION 204.** 77.54 (14g) of the statutes is repealed.

11 **SECTION 205.** 77.54 (14s) of the statutes is repealed.

12 **SECTION 206.** 77.54 (15) of the statutes is amended to read:

13 77.54 (15) The ~~gross receipts~~ sales price from the sale of and the storage, use
14 or other consumption of all newspapers, of periodicals sold by subscription and
15 regularly issued at average intervals not exceeding 3 months, or issued at average
16 intervals not exceeding 6 months by an educational association or corporation sales
17 to which are exempt under sub. (9a) (f), of controlled circulation publications sold to
18 commercial publishers for distribution without charge or mainly without charge or
19 regularly distributed by or on behalf of publishers without charge or mainly without
20 charge to the recipient and of shoppers guides which distribute no less than 48 issues
21 in a 12-month period. In this subsection, "shoppers guide" means a community
22 publication delivered, or attempted to be delivered, to most of the households in its
23 coverage area without a required subscription fee, which advertises a broad range
24 of products and services offered by several types of businesses and individuals. In
25 this subsection, "controlled circulation publication" means a publication that has at

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

5 **SECTION 207.** 77.54 (16) of the statutes is amended to read:

6 77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use
7 or other consumption of fire trucks and fire fighting equipment, including
8 accessories, attachments, parts and supplies therefor, sold to volunteer fire
9 departments.

10 **SECTION 208.** 77.54 (17) of the statutes is amended to read:

11 77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use
12 or other consumption of water, that is not food and food ingredient, when delivered
13 through mains.

14 **SECTION 209.** 77.54 (18) of the statutes is amended to read:

15 77.54 (18) When the sale, lease or rental of a service or property, including
16 items and property under s. 77.52 (1) (b) and (c), that was previously exempt or not
17 taxable under this subchapter becomes taxable, and the service or property is
18 furnished under a written contract by which the seller is unconditionally obligated
19 to provide the service or property for the amount fixed under the contract, the seller
20 is exempt from sales or use tax on the ~~gross receipts~~ sales price for services or
21 property provided until the contract is terminated, extended, renewed or modified.
22 However, from the time the service or property becomes taxable until the contract
23 is terminated, extended, renewed or modified the user is subject to use tax, measured
24 by the sales purchase price, on the service or property purchased under the contract.

25 **SECTION 210.** 77.54 (20) of the statutes is repealed.