

1 **SECTION 137.** 77.52 (2) (a) 5. c. of the statutes is created to read:

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

4 **SECTION 138.** 77.52 (2) (a) 5m. of the statutes is amended to read:

5 77.52 (2) (a) 5m. The sale of services that consist of recording
6 telecommunications messages and transmitting them to the purchaser of the service
7 or at that purchaser's direction, but not including those services if they are merely
8 an that are taxable under subd. 5. or services that are incidental, as defined in s.
9 77.51 (5), element of to another service that is not taxable under this subchapter and
10 sold to that the purchaser of the incidental service and is not taxable under this
11 subchapter.

12 **SECTION 139.** 77.52 (2) (a) 10. of the statutes is amended to read:

13 77.52 (2) (a) 10. Except for services provided by veterinarians and except for
14 installing or applying tangible personal property that, subject to par. (ag), when
15 installed or applied, will constitute an addition or capital improvement of real
16 property, the repair, service, alteration, fitting, cleaning, painting, coating, towing,
17 inspection, and maintenance of all items of tangible personal property or items or
18 property under sub. (1) (b) or (c), unless, at the time of that repair, service, alteration,
19 fitting, cleaning, painting, coating, towing, inspection, or maintenance, a sale in this
20 state of the type of property or item repaired, serviced, altered, fitted, cleaned,
21 painted, coated, towed, inspected, or maintained would have been exempt to the
22 customer from sales taxation under this subchapter, other than the exempt sale of
23 a motor vehicle or truck body to a nonresident under s. 77.54 (5) (a) and other than
24 nontaxable sales under s. ~~77.51 (14r)~~ 77.522 or unless the repair, service, alteration,
25 fitting, cleaning, painting, coating, towing, inspection, or maintenance is provided

1 under a contract that is subject to tax under subd. 13m. The tax imposed under this
2 subsection applies to the repair, service, alteration, fitting, cleaning, painting,
3 coating, towing, inspection, or maintenance of items listed in par. (ag), regardless of
4 whether the installation or application of tangible personal property or items or
5 property under sub. (1) (b) or (c) related to the items is an addition to or a capital
6 improvement of real property, except that the tax imposed under this subsection does
7 not apply to the original installation or the complete replacement of an item listed
8 in par. (ag), if that installation or replacement is a real property construction activity
9 under s. 77.51 (2).

10 **SECTION 140.** 77.52 (2) (a) 11. of the statutes, as affected by 2007 Wisconsin Act
11 20, is amended to read:

12 77.52 (2) (a) 11. The producing, fabricating, processing, printing, or imprinting
13 of tangible personal property or items or property under sub. (1) (b) or (c) for a
14 consideration for consumers who furnish directly or indirectly the materials used in
15 the producing, fabricating, processing, printing, or imprinting. This subdivision
16 does not apply to the printing or imprinting of tangible personal property or items
17 or property under sub. (1) (b) or (c) that results in printed material, catalogs, or
18 envelopes that are exempt under s. 77.54 (25) or (25m).

19 **SECTION 141.** 77.52 (2) (a) 13m. of the statutes is created to read:

20 77.52 (2) (a) 13m. The sale of contracts, including service contracts,
21 maintenance agreements, and warranties, that provide, in whole or in part, for the
22 future performance of or payment for the repair, service, alteration, fitting, cleaning,
23 painting, coating, towing, inspection, or maintenance of tangible personal property
24 or items or property under sub. (1) (b) or (c), unless the sale, lease, or rental in this

1 state of the property or items to which the contract relates is or was exempt, to the
2 purchaser of the contract, from taxation under this subchapter.

3 **SECTION 142.** 77.52 (2m) (a) of the statutes is amended to read:

4 77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part
5 of the charge for the service may be deemed a sale or rental of tangible personal
6 property or items or property under sub. (1) (b) or (c) if the property or items
7 transferred by the service provider ~~is~~ are incidental to the selling, performing or
8 furnishing of the service, except as provided in par. (b).

9 **SECTION 143.** 77.52 (2m) (b) of the statutes is amended to read:

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

16 **SECTION 144.** 77.52 (2n) of the statutes is repealed and recreated to read:

17 77.52 (2n) The selling, licensing, performing, or furnishing of the services
18 described under sub. (2) (a) at retail in this state, as determined under s. 77.522, is
19 subject to the tax imposed under sub. (2) unless an exemption in this subchapter
20 applies.

21 **SECTION 145.** 77.52 (3m) of the statutes is repealed.

22 **SECTION 146.** 77.52 (3n) of the statutes is repealed.

23 **SECTION 147.** 77.52 (4) of the statutes is amended to read:

24 77.52 (4) It is unlawful for any retailer to advertise or hold out or state to the
25 public or to any customer, directly or indirectly, that the tax or any part thereof will

1 be assumed or absorbed by the retailer or that it will not be added to the selling price
2 of the property or items or property under sub. (1) (b) or (c) sold or that if added it,
3 or any part thereof, will be refunded. Any person who violates this subsection is
4 guilty of a misdemeanor.

5 **SECTION 148.** 77.52 (6) of the statutes is repealed.

6 **SECTION 149.** 77.52 (7) of the statutes is amended to read:

7 77.52 (7) Every person desiring to operate as a seller within this state who
8 holds a valid certificate under s. 73.03 (50) shall file with the department an
9 application for a permit for each place of operations. Every application for a permit
10 shall be made upon a form prescribed by the department and shall set forth the name
11 under which the applicant intends to operate, the location of the applicant's place of
12 operations, and the other information that the department requires. The Except as
13 provided in sub. (7b), the application shall be signed by the owner if a sole proprietor;
14 in the case of sellers other than sole proprietors, the application shall be signed by
15 the person authorized to act on behalf of such sellers. A nonprofit organization that
16 has ~~gross receipts~~ a sales price taxable under s. 77.54 (7m) shall obtain a seller's
17 permit and pay taxes under this subchapter on all taxable ~~gross receipts~~ sales prices
18 received after it is required to obtain that permit. If that organization becomes
19 eligible later for the exemption under s. 77.54 (7m) except for its possession of a
20 seller's permit, it may surrender that permit.

21 **SECTION 150.** 77.52 (7b) of the statutes is created to read:

22 77.52 (7b) Any person who may register under sub. (7) may designate an agent,
23 as defined in s. 77.524 (1) (ag), to register with the department under sub. (7), in the
24 manner prescribed by the department.

25 **SECTION 151.** 77.52 (12) of the statutes is amended to read:

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

12 **SECTION 152.** 77.52 (13) of the statutes is amended to read:

13 77.52 (13) For the purpose of the proper administration of this section and to
14 prevent evasion of the sales tax it shall be presumed that all receipts are subject to
15 the tax until the contrary is established. The burden of proving that a sale of tangible
16 personal property, items or property under sub. (1) (b) or (c), or services is not a
17 taxable sale at retail is upon the person who makes the sale unless that person takes
18 from the purchaser ~~a~~ an electronic or a paper certificate, in a manner prescribed by
19 the department, to the effect that the property, item, or service is purchased for resale
20 or is otherwise exempt; ~~except that no certificate is required for sales of cattle, sheep,~~
21 ~~goats, and pigs that are sold at an animal market, as defined in s. 95.68 (1) (ag), and~~
22 ~~no certificate is required for sales of commodities, as defined in 7 USC 2, that are~~
23 ~~consigned for sale in a warehouse in or from which the commodity is deliverable on~~
24 ~~a contract for future delivery subject to the rules of a commodity market regulated~~
25 ~~by the U.S. commodity futures trading commission if upon the sale the commodity~~

1 ~~is not removed from the warehouse the sale of tangible personal property, items or~~
2 ~~property under sub. (1) (b) or (c), and services that are exempt under s. 77.54 (7), (7m),~~
3 ~~(8), (10), (11), (14), (15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42),~~
4 ~~(44), (45), (46), (51), and (52), except as provided in s. 77.54 (30) (e) and (f).~~

5 SECTION 153. 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are
6 consolidated, renumbered 77.52 (14) (a) and amended to read:

7 77.52 (14) (a) The certificate referred to in sub. (13) relieves the seller ~~from the~~
8 ~~burden of proof of the tax otherwise applicable~~ only if any of the following is true:

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

1 ~~identifies the purchaser, and shall indicate the general character of the tangible~~
2 ~~personal property or service sold by the purchaser and the basis for the claimed~~
3 ~~exemption and a paper certificate shall be signed by the purchaser.~~ The certificate
4 shall be in such form as the department prescribes by rule.

5 **SECTION 154.** 77.52 (14) (a) 2. of the statutes is repealed.

6 **SECTION 155.** 77.52 (14) (am) of the statutes is created to read:

7 77.52 (14) (am) If the seller has not obtained a fully completed exemption
8 certificate or the information required to prove the exemption, as provided in par. (a),
9 the seller may, no later than 120 days after the department requests that the seller
10 substantiate the exemption, either provide proof of the exemption to the department
11 by other means or obtain, in good faith, a fully completed exemption certificate from
12 the purchaser.

13 **SECTION 156.** 77.52 (15) of the statutes is amended to read:

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

1 **SECTION 157.** 77.52 (16) of the statutes is amended to read:

2 77.52 (16) Any person who gives a resale certificate for property, items or
3 property under sub. (1) (b) or (c), or services which that person knows at the time of
4 purchase is not to be resold by that person in the regular course of that person's
5 operations as a seller for the purpose of evading payment to the seller of the amount
6 of the tax applicable to the transaction is guilty of a misdemeanor. Any person
7 certifying to the seller that the sale of property, items or property under sub. (1) (b)
8 or (c), or taxable service is exempt, knowing at the time of purchase that it is not
9 exempt, for the purpose of evading payment to the seller of the amount of the tax
10 applicable to the transaction, is guilty of a misdemeanor.

11 **SECTION 158.** 77.52 (17m) (b) 6. of the statutes is amended to read:

12 77.52 (17m) (b) 6. The applicant purchases enough tangible personal property
13 or items or property under sub. (1) (b) or (c) under circumstances that make it
14 difficult to determine whether the property or items will be subject to a tax under this
15 subchapter.

16 **SECTION 159.** 77.52 (19) of the statutes is amended to read:

17 77.52 (19) The department shall by rule provide for the efficient collection of
18 the taxes imposed by this subchapter on sales of property, items or property under
19 sub. (1) (b) or (c), or services by persons not regularly engaged in selling at retail in
20 this state or not having a permanent place of business, but who are temporarily
21 engaged in selling from trucks, portable roadside stands, concessions at fairs and
22 carnivals, and the like. The department may authorize such persons to sell property
23 or items or property under sub. (1) (b) or (c) or sell, perform, or furnish services on
24 a permit or nonpermit basis as the department by rule prescribes and failure of any
25 person to comply with such rules constitutes a misdemeanor.

1 **SECTION 160.** 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 161.** 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 162.** 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 163.** 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 164.** 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); making first use of services; or taking possession
9 or making first use of digital goods, whichever comes first. "Receive" does not include
10 a shipping company taking possession of tangible personal property or items or
11 property under s. 77.52 (1) (b) or (c) on a purchaser's 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 under s. 341.405 and operated
18 under the authority of a carrier that is authorized by the federal government to carry
19 persons 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. 3. 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 or item or property under s. 77.52 (1) (b) or (c) is shipped.

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

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

3 (c) The sale of direct mail occurs at the location from which the direct mail is
4 shipped, if the purchaser does not provide to the seller a direct pay permit, a direct
5 mail form, or other information that indicates the appropriate taxing jurisdiction to
6 which the direct mail is delivered to the ultimate recipients. If the purchaser
7 provides a direct mail form or direct pay permit to the seller, the purchaser shall pay
8 or remit, as appropriate, to the department the tax imposed under s. 77.53 on all
9 purchases for which the tax is due and the seller is relieved from liability for
10 collecting such tax. A direct mail form provided to a seller under this paragraph shall
11 remain effective for all sales by the seller who received the form to the purchaser who
12 provided the form, unless the purchaser revokes the form in writing and provides
13 such revocation to the seller.

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

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

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

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

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

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

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

21 3. "Communications channel" means a physical or virtual path of
22 communications over which signals are transmitted between or among customer
23 channel termination points.

24 4. "Customer" means a person who enters into a contract with a seller of
25 telecommunications services or, in any transaction for which the end user is not the

1 person who entered into a contract with the seller of telecommunications services,
2 the end user of the telecommunications services. "Customer" does not include a
3 person who resells telecommunications services or, for mobile telecommunications
4 services, a serving carrier under an agreement to serve a customer outside the home
5 service provider's licensed service area.

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

8 6. "End user" means the person who uses a telecommunications service. In the
9 case of an entity, "end user" means the individual who uses the telecommunications
10 service on the entity's behalf.

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

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

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

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

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

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

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

7 (b) Except as provided in pars. (d) to (j), the sale of a telecommunications service
8 that is sold on a call-by-call basis occurs in the taxing jurisdiction for sales and use
9 tax purposes where the call originates and terminates, in the case of a call that
10 originates and terminates in the same such jurisdiction, or the taxing jurisdiction for
11 sales and use tax purposes where the call originates or terminates and where the
12 service address is located.

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

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

19 (e) The sale of a postpaid calling service occurs at the location where the signal
20 of the telecommunications service originates, as first identified by the seller's
21 telecommunications system or, if the signal is not transmitted by the seller's
22 telecommunications system, by information that the seller received from the seller's
23 service provider.

24 (f) The sale of a prepaid calling service or a prepaid wireless calling service
25 occurs at the location determined under sub. (1) (b), except that, if the service is a

1 prepaid wireless calling service and the location cannot be determined under sub. (1)
2 (b) 1. to 4., the prepaid wireless calling service occurs at the location determined
3 under sub. (1) (b) 5. c. or at the location associated with the mobile telephone number,
4 as determined by the seller.

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

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

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

16 4. If the segments are not charged separately, the sale of a private
17 communication service for segments of a communications channel that is located in
18 more than one taxing jurisdiction for sales and use tax purposes occurs in each such
19 jurisdiction in a percentage determined by dividing the number of customer channel
20 termination points in that jurisdiction by the number of customer channel
21 termination points in all jurisdictions where segments of the communications
22 channel are located.

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

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

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

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

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

12 **SECTION 165.** 77.523 (title) of the statutes is repealed.

13 **SECTION 166.** 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended
14 to read:

15 77.59 (9p) (a) If a customer purchases a service that is subject to 4 USC 116
16 to 126, as amended by P.L. 106-252, and if the customer believes that the amount
17 of the tax assessed for the service under this subchapter or the place of primary use
18 or taxing jurisdiction assigned to the service is erroneous, the customer may request
19 that the service provider correct the alleged error by sending a written notice to the
20 service provider. The notice shall include a description of the alleged error, the street
21 address for the customer's place of primary use of the service, the account name and
22 number of the service for which the customer seeks a correction, and any other
23 information that the service provider reasonably requires to process the request.
24 Within 60 days from the date that a service provider receives a request under this
25 section paragraph, the service provider shall review its records to determine the

1 customer's taxing jurisdiction. If the review indicates that there is no error as
2 alleged, the service provider shall explain the findings of the review in writing to the
3 customer. If the review indicates that there is an error as alleged, the service
4 provider shall correct the error and shall refund or credit the amount of any tax
5 collected erroneously, along with the related interest, as a result of the error from the
6 customer in the previous 48 months, consistent with s. 77.59 (4). A customer may
7 take no other action against the service provider, or commence any action, to correct
8 an alleged error in the amount of the tax assessed under this subchapter on a service
9 that is subject to 4 USC 116 to 126, as amended by P.L. 106-252, or to correct an
10 alleged error in the assigned place of primary use or taxing jurisdiction, unless the
11 customer has exhausted his or her remedies under this ~~section~~ paragraph.

12 **SECTION 167.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

13 **SECTION 168.** 77.524 (1) (ag) of the statutes is created to read:

14 77.524 (1) (ag) "Agent" means a person appointed by a seller to represent the
15 seller before the states that are signatories to the agreement, as defined in s. 77.65
16 (2) (a).

17 **SECTION 169.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g) and
18 amended to read:

19 77.51 (1g) "Certified service provider" means an agent that is certified jointly
20 by the states that are signatories to the agreement, as defined in s. 77.65 (2) (a), and
21 that performs all of a seller's sales tax and use tax functions related to the seller's
22 retail sales, except that a certified service provider is not responsible for a retailer's
23 obligation to remit tax on the retailer's own purchases.

24 **SECTION 170.** 77.525 of the statutes is amended to read:

1 **77.525 Reduction to prevent double taxation.** Any person who is subject
2 to the tax under s. 77.52 (2) (a) 5. ~~a.~~ on telecommunications services that terminate
3 in this state and who has paid a similar tax on the same services to another state may
4 reduce the amount of the tax remitted to this state by an amount equal to the similar
5 tax properly paid to another state on those services or by the amount due this state
6 on those services, whichever is less. That person shall refund proportionally to the
7 persons to whom the tax under s. 77.52 (2) (a) 5. ~~a.~~ was passed on an amount equal
8 to the amounts not remitted.

9 **SECTION 171.** 77.53 (1) of the statutes is amended to read:

10 **77.53 (1)** Except as provided in sub. (1m), an excise tax is levied and imposed
11 on the use or consumption in this state of taxable services under s. 77.52 purchased
12 from any retailer, at the rate of 5% of the sales purchase price of those services; on
13 the storage, use or other consumption in this state of tangible personal property and
14 items or property under s. 77.52 (1) (b) or (c) purchased from any retailer, at the rate
15 of 5% of the sales purchase price of that the property or items; and on the storage,
16 use or other consumption of tangible personal property or items or property under
17 s. 77.52 (1) (b) or (c) manufactured, processed or otherwise altered, in or outside this
18 state, by the person who stores, uses or consumes it, from material purchased from
19 any retailer, at the rate of 5% of the sales purchase price of that material.

20 **SECTION 172.** 77.53 (1b) of the statutes is repealed and recreated to read:

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

25 **SECTION 173.** 77.53 (2) of the statutes is amended to read:

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

11 **SECTION 174.** 77.53 (3) of the statutes is amended to read:

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

21 **SECTION 175.** 77.53 (4) of the statutes is repealed.

22 **SECTION 176.** 77.53 (9) of the statutes is amended to read:

23 77.53 (9) Every retailer selling tangible personal property, items or property
24 under s. 77.52 (1) (b) or (c), or taxable services for storage, use or other consumption
25 in this state shall register with the department and obtain a certificate under s. 73.03

1 (50) and give the name and address of all agents operating in this state, the location
2 of all distribution or sales houses or offices or other places of business in this state,
3 the standard industrial code classification of each place of business in this state and
4 the other information that the department requires. Any person who may register
5 under this subsection may designate an agent, as defined in s. 77.524 (1) (ag), to
6 register with the department under this subsection, in the manner prescribed by the
7 department.

8 **SECTION 177.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and
9 amended to read:

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

18 **SECTION 178.** 77.53 (9m) (b) of the statutes is created to read:

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

22 **SECTION 179.** 77.53 (9m) (c) of the statutes is created to read:

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

1 **SECTION 180.** 77.53 (10) of the statutes is amended to read:

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

21 **SECTION 181.** 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and
22 amended to read:

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

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

23 **SECTION 182.** 77.53 (11) (b) of the statutes is created to read:

24 77.53 (11) (b) If the seller has not obtained a fully completed exemption
25 certificate or the information required to prove the exemption, as provided in par. (a),

1 the seller may, no later than 120 days after the department requests that the seller
2 substantiate the exemption, either provide proof of the exemption to the department
3 by other means or obtain, in good faith, a fully completed exemption certificate from
4 the purchaser.

5 **SECTION 183.** 77.53 (12) of the statutes is amended to read:

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

11 **SECTION 184.** 77.53 (14) of the statutes is amended to read:

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

15 **SECTION 185.** 77.53 (15) of the statutes is amended to read:

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

1 **SECTION 186.** 77.53 (16) of the statutes is amended to read:

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

16 **SECTION 187.** 77.53 (17) of the statutes is amended to read:

17 **77.53 (17)** This section does not apply to tangible personal property or items
18 or property under s. 77.52 (1) (b) or (c) purchased outside this state, as determined
19 under s. 77.522, other than motor vehicles, boats, snowmobiles, recreational
20 vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles and
21 airplanes registered or titled or required to be registered or titled in this state, which
22 is brought into this state by a nondomiciliary for the person's own storage, use or
23 other consumption while temporarily within this state when such property or item
24 is not stored, used or otherwise consumed in this state in the conduct of a trade,

1 occupation, business or profession or in the performance of personal services for
2 wages or fees.

3 **SECTION 188.** 77.53 (17m) of the statutes is amended to read:

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

9 **SECTION 189.** 77.53 (17r) (a) of the statutes is amended to read:

10 **77.53 (17r) (a)** It is purchased in another state, as determined under s. 77.522.

11 **SECTION 190.** 77.53 (18) of the statutes is amended to read:

12 **77.53 (18)** This section does not apply to the storage, use or other consumption
13 in this state of household goods or items or property under s. 77.52 (1) (b) or (c) for
14 personal use or to aircraft, motor vehicles, boats, snowmobiles, mobile homes,
15 manufactured homes, as defined in s. 101.91 (2), recreational vehicles, as defined in
16 s. 340.01 (48r), trailers, semitrailers and all-terrain vehicles, for personal use,
17 purchased by a nondomiciliary of this state outside this state, as determined under
18 s. 77.522, 90 days or more before bringing the goods, items, or property into this state
19 in connection with a change of domicile to this state.

20 **SECTION 191.** 77.54 (1) of the statutes is amended to read:

21 **77.54 (1)** The ~~gross receipts~~ sales price from the sale of and the storage, use or
22 other consumption in this state of tangible personal property, items and property
23 under s. 77.52 (1) (b) and (c) and services the ~~gross receipts~~ sales price from the sale
24 of which, or the storage, use or other consumption of which, this state is prohibited

1 from taxing under the constitution or laws of the United States or under the
2 constitution of this state.

3 **SECTION 192.** 77.54 (2) of the statutes is amended to read:

4 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or
5 other consumption of tangible personal property becoming an ingredient or
6 component part of an article of tangible personal property or which is consumed or
7 destroyed or loses its identity in the manufacture of tangible personal property in
8 any form destined for sale, except as provided in sub. (30) (a) 6.

9 **SECTION 193.** 77.54 (2m) of the statutes is amended to read:

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

19 **SECTION 194.** 77.54 (3) (a) of the statutes is amended to read:

20 77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use,
21 or other consumption of tractors and machines, including accessories, attachments,
22 and parts, lubricants, nonpowered equipment, and other tangible personal property
23 that are used exclusively and directly, or are consumed or lose their identities, in the
24 business of farming, including dairy farming, agriculture, horticulture, floriculture,
25 silviculture, and custom farming services, but excluding automobiles, trucks, and

1 other motor vehicles for highway use; excluding personal property that is attached
2 to, fastened to, connected to, or built into real property or that becomes an addition
3 to, component of, or capital improvement of real property; and excluding tangible
4 personal property used or consumed in the erection of buildings or in the alteration,
5 repair, or improvement of real property, regardless of any contribution that that
6 personal property makes to the production process in that building or real property
7 and regardless of the extent to which that personal property functions as a machine,
8 except as provided in par. (c).

9 **SECTION 195.** 77.54 (3m) (intro.) of the statutes is amended to read:

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

14 **SECTION 196.** 77.54 (4) of the statutes is amended to read:

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

21 **SECTION 197.** 77.54 (5) (intro.) of the statutes is amended to read:

22 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
23 use or other consumption of:

24 **SECTION 198.** 77.54 (6) (intro.) of the statutes is amended to read:

1 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
2 use or other consumption of:

3 **SECTION 199.** 77.54 (7m) of the statutes is amended to read:

4 77.54 (7m) Occasional sales of tangible personal property, items or property
5 under s. 77.52 (1) (b) and (c), or services, including admissions or tickets to an event;
6 by a neighborhood association, church, civic group, garden club, social club or similar
7 nonprofit organization; not involving entertainment for which payment in the
8 aggregate exceeds \$500 for performing or as reimbursement of expenses unless
9 access to the event may be obtained without payment of a direct or indirect admission
10 fee; conducted by the organization if the organization is not engaged in a trade or
11 business and is not required to have a seller's permit. For purposes of this
12 subsection, an organization is engaged in a trade or business and is required to have
13 a seller's permit if its sales of tangible personal property, items and property under
14 s. 77.52 (1) (b) and (c), and services, not including sales of tickets to events, and its
15 events occur on more than 20 days during the year, unless its receipts do not exceed
16 \$25,000 during the year. The exemption under this subsection does not apply to ~~gross~~
17 ~~receipts~~ the sales price from the sale of bingo supplies to players or to the sale, rental
18 or use of regular bingo cards, extra regular cards and special bingo cards.

19 **SECTION 200.** 77.54 (8) of the statutes is amended to read:

20 77.54 (8) Charges for ~~interest, financing or insurance,~~ not including contracts
21 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the
22 invoice given by the seller to the purchaser.

23 **SECTION 201.** 77.54 (9) of the statutes is amended to read:

1 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
2 public and private elementary and secondary school activities, where the entire net
3 proceeds therefrom are expended for educational, religious or charitable purposes.

4 **SECTION 202.** 77.54 (9a) (intro.) of the statutes is amended to read:

5 77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage
6 by, use by or other consumption of tangible personal property, items and property
7 under s. 77.52 (1) (b) and (c), and taxable services by:

8 **SECTION 203.** 77.54 (10) of the statutes is amended to read:

9 77.54 (10) The ~~gross receipts~~ sales price from the sale of all admission fees,
10 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees
11 to any museum operated by a nonprofit corporation under a lease agreement with
12 the state historical society.

13 **SECTION 204.** 77.54 (11) of the statutes is amended to read:

14 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
15 or other consumption in this state of motor vehicle fuel, general aviation fuel or
16 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or
17 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
18 in operating a motor vehicle upon the public highways.

19 **SECTION 205.** 77.54 (12) of the statutes is amended to read:

20 77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use
21 or other consumption in this state of rail freight or passenger cars, locomotives or
22 other rolling stock used in railroad operations, or accessories, attachments, parts,
23 lubricants or fuel therefor.

24 **SECTION 206.** 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 207.** 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 ~~medieines~~ drugs that are any of
8 the following:

9 **SECTION 208.** 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 ~~medieines~~ drugs, and dispensed on prescription filled by
12 a registered pharmacist in accordance with law.

13 **SECTION 209.** 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 210.** 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 ~~medieine~~ drug may not be dispensed without a prescription:

19 **SECTION 211.** 77.54 (14g) of the statutes is repealed.

20 **SECTION 212.** 77.54 (14s) of the statutes is repealed.

21 **SECTION 213.** 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 214.** 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 215.** 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 216.** 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 217.** 77.54 (20) of the statutes is repealed.

10 **SECTION 218.** 77.54 (20m) of the statutes is repealed.

11 **SECTION 219.** 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 220.** 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 221.** 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 222.** 77.54 (22) of the statutes is repealed.

18 **SECTION 223.** 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 224.** 77.54 (23m) of the statutes is amended to read:

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

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

4 **SECTION 225.** 77.54 (25) of the statutes, as affected by 2007 Wisconsin Act 20,
5 is amended to read:

6 77.54 (25) The ~~gross receipts~~ sales price from the sale of and the storage of
7 printed material which is designed to advertise and promote the sale of merchandise,
8 or to advertise the services of individual business firms, which printed material is
9 purchased and stored for the purpose of subsequently transporting it outside the
10 state by the purchaser for use thereafter solely outside the state. This subsection
11 does not apply to catalogs and the envelopes in which the catalogs are mailed.

12 **SECTION 226.** 77.54 (25m) of the statutes, as created by 2007 Wisconsin Act 20,
13 is amended to read:

14 77.54 (25m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
15 or other consumption of catalogs, and the envelopes in which the catalogs are mailed,
16 that are designed to advertise and promote the sale of merchandise or to advertise
17 the services of individual business firms.

18 **SECTION 227.** 77.54 (26) of the statutes is amended to read:

19 77.54 (26) The ~~gross receipts~~ sales price from the sales of and the storage, use,
20 or other consumption of tangible personal property and items and property under s.
21 77.52 (1) (b) and (c) which becomes a component part of an industrial waste
22 treatment facility that is exempt under s. 70.11 (21) or that would be exempt under
23 s. 70.11 (21) if the property were taxable under ch. 70, or tangible personal property
24 and items and property under s. 77.52 (1) (b) and (c) which becomes a component part
25 of a waste treatment facility of this state or any agency thereof, or any political

1 subdivision of the state or agency thereof as provided in s. 40.02 (28). The exemption
2 includes replacement parts therefor, and also applies to chemicals and supplies used
3 or consumed in operating a waste treatment facility and to purchases of tangible
4 personal property and items and property under s. 77.52 (1) (b) and (c) made by
5 construction contractors who transfer such property to their customers in fulfillment
6 of a real property construction activity. This exemption does not apply to tangible
7 personal property and items and property under s. 77.52 (1) (b) and (c) installed in
8 fulfillment of a written construction contract entered into, or a formal written bid
9 made, prior to July 31, 1975.

10 **SECTION 228.** 77.54 (26m) of the statutes is amended to read:

11 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use
12 or other consumption of waste reduction or recycling machinery and equipment,
13 including parts therefor, exclusively and directly used for waste reduction or
14 recycling activities which reduce the amount of solid waste generated, reuse solid
15 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
16 The exemption applies even though an economically useful end product results from
17 the use of the machinery and equipment. For the purposes of this subsection, "solid
18 waste" means garbage, refuse, sludge or other materials or articles, whether these
19 materials or articles are discarded or purchased, including solid, semisolid, liquid or
20 contained gaseous materials or articles resulting from industrial, commercial,
21 mining or agricultural operations or from domestic use or from public service
22 activities.

23 **SECTION 229.** 77.54 (27) of the statutes is amended to read:

24 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for
25 artificial insemination of livestock.

1 **SECTION 230.** 77.54 (28) of the statutes is amended to read:

2 77.54 (28) The ~~gross receipts~~ sales price from the sale of and the storage, use
3 or other consumption to or by the ultimate consumer of ~~apparatus or equipment for~~
4 ~~the injection of insulin or the treatment of diabetes and supplies used to determine~~
5 blood sugar level.

6 **SECTION 231.** 77.54 (29) of the statutes is amended to read:

7 77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use
8 or other consumption of equipment used in the production of maple syrup.

9 **SECTION 232.** 77.54 (30) (a) (intro.) of the statutes is amended to read:

10 77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

11 **SECTION 233.** 77.54 (30) (c) of the statutes is amended to read:

12 77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this
13 subsection and partly for a use which is not exempt under this subsection, no tax
14 shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the
15 percentage of the fuel or electricity which is used for an exempt use, as specified in
16 an exemption certificate provided by the purchaser to the seller.

17 **SECTION 234.** 77.54 (31) of the statutes is amended to read:

18 77.54 (31) The ~~gross receipts~~ sales price from the sale of and the storage, use
19 or other consumption in this state, but not the lease or rental, of used mobile homes,
20 as defined in s. 101.91 (10), and used manufactured homes, as defined in s. 101.91
21 (12).

22 **SECTION 235.** 77.54 (32) of the statutes is amended to read:

23 77.54 (32) The ~~gross receipts~~ sales price from charges, including charges for a
24 search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record

1 that a person may examine and use under s. 16.61 (12) or for copies of a record under
2 s. 19.35 (1).

3 **SECTION 236.** 77.54 (33) of the statutes is amended to read:

4 77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or
5 other consumption of ~~medicines~~ drugs used on farm livestock, not including
6 workstock.

7 **SECTION 237.** 77.54 (35) of the statutes is amended to read:

8 77.54 (35) The ~~gross receipts~~ sales price from the sales of tangible personal
9 property, items or property under s. 77.52 (1) (b) or (c), tickets or admissions by any
10 baseball team affiliated with the Wisconsin Department of American Legion
11 baseball.

12 **SECTION 238.** 77.54 (36) of the statutes is amended to read:

13 77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period
14 of one month or more of a mobile home, as defined in s. 101.91 (10), or a manufactured
15 home, as defined in s. 101.91 (2), that is used as a residence. In this subsection, "one
16 month" means a calendar month or 30 days, whichever is less, counting the first day
17 of the rental and not counting the last day of the rental.

18 **SECTION 239.** 77.54 (37) of the statutes is amended to read:

19 77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.
20 256.35 (3) and the surcharge established by rule by the public service commission
21 under s. 256.35 (3m) (f) for customers of wireless providers, as defined in s. 256.35
22 (3m) (a) 6.

23 **SECTION 240.** 77.54 (38) of the statutes is amended to read:

24 77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use
25 or other consumption of snowmobile trail groomers and attachments for them that

1 are purchased, stored, used or consumed by a snowmobile club that meets at least
2 3 times a year, that has at least 10 members, that promotes snowmobiling and that
3 participates in the department of natural resources' snowmobile program under s.
4 350.12 (4) (b).

5 **SECTION 241.** 77.54 (39) of the statutes is amended to read:

6 77.54 (39) The ~~gross receipts~~ sales price from the sale of and the storage, use
7 or other consumption of off-highway, heavy mechanical equipment such as feller
8 bunchers, slashers, delimiters, chippers, hydraulic loaders, loaders,
9 skidder-forwarders, skidders, timber wagons and tractors used exclusively and
10 directly in the harvesting or processing of raw timber products in the field by a person
11 in the logging business. In this subsection, "heavy mechanical equipment" does not
12 include hand tools such as axes, chains, chain saws and wedges.

13 **SECTION 242.** 77.54 (40) of the statutes is repealed.

14 **SECTION 243.** 77.54 (41) of the statutes is amended to read:

15 77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,
16 supplies and equipment to; and the storage, use or other consumption of those kinds
17 of property by; owners, contractors, subcontractors or builders if that property is
18 acquired solely for or used solely in, the construction, renovation or development of
19 property that would be exempt under s. 70.11 (36).

20 **SECTION 244.** 77.54 (42) of the statutes is amended to read:

21 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use
22 or other consumption of animal identification tags provided under s. 93.06 (1h) and
23 standard samples provided under s. 93.06 (1s).

24 **SECTION 245.** 77.54 (43) of the statutes is amended to read:

1 77.54 (43) The ~~gross receipts~~ sales price from the sale of and the storage, use
2 or other consumption of raw materials used for the processing, fabricating or
3 manufacturing of, or the attaching to or incorporating into, printed materials that
4 are transported and used solely outside this state.

5 **SECTION 246.** 77.54 (44) of the statutes is amended to read:

6 77.54 (44) The ~~gross receipts~~ sales price from the collection of low-income
7 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

8 **SECTION 247.** 77.54 (45) of the statutes is amended to read:

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

17 **SECTION 248.** 77.54 (46) of the statutes is amended to read:

18 77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,
19 or other consumption of the U.S. flag or the state flag. This subsection does not apply
20 to a representation of the U.S. flag or the state flag.

21 **SECTION 249.** 77.54 (46m) of the statutes is amended to read:

22 77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
23 or other consumption of telecommunications services, if the telecommunications
24 services are obtained by using the rights to purchase telecommunications services,
25 including purchasing reauthorization numbers, by paying in advance and by using

1 an access number and authorization code; and if the tax imposed under s. 77.52 or
2 77.53 was previously paid on the sale or purchase of such rights.

3 **SECTION 250.** 77.54 (47) (intro.) of the statutes is amended to read:

4 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
5 use, or other consumption of all of the following:

6 **SECTION 251.** 77.54 (47) (b) 1. of the statutes is amended to read:

7 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
8 s. 77.52 on its ~~gross receipts~~ the sales price from charges for shooting at the facility.

9 **SECTION 252.** 77.54 (47) (b) 2. of the statutes is amended to read:

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

15 **SECTION 253.** 77.54 (48) (a) of the statutes is renumbered 77.585 (9) (a) and
16 amended to read:

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