

1 **SECTION 269.** 77.58 (6m) of the statutes is created to read:

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

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

9 **SECTION 270.** 77.58 (9a) of the statutes is created to read:

10 **77.58 (9a)** In addition to filing a return as provided in this section, a person
11 described under s. 77.524 (3), (4), or (5) shall provide to the department any
12 information that the department considers necessary for the administration of this
13 subchapter, in the manner prescribed by the department, except that the
14 department may not require that the person provide such information to the
15 department more than once every 180 days.

16 **SECTION 271.** 77.585 of the statutes is created to read:

17 **77.585 Return adjustments. (1)** (a) In this subsection, "bad debt" means the
18 portion of the sales price or purchase price that the seller has reported as taxable
19 under this subchapter and that the seller may claim as a deduction under section 166
20 of the Internal Revenue Code. "Bad debt" does not include financing charges or
21 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible
22 amounts on property or items or property under s. 77.52 (1) (b) or (c) that remain in
23 the seller's possession until the full sales price or purchase price is paid, expenses
24 incurred in attempting to collect any debt, debts sold or assigned to 3rd parties for
25 collection, and repossessed property or items.

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

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

19 (d) A seller may obtain a refund of the tax collected on any bad debt amount
20 deducted under par. (b) that exceeds the amount of the seller's taxable sales as
21 provided under s. 77.59 (4), except that the period for making a claim as determined
22 under s. 77.59 (4) begins on the date on which the return on which the bad debt could
23 be claimed would have been required to be submitted to the department under s.
24 77.58.

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

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

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

20 **(3)** If a purchaser of tangible personal property or items or property under s.
21 77.52 (1) (b) or (c) has reimbursed the vendor of the property or items for the sales
22 tax on the sale and subsequently, before making any use of the property or items
23 other than retention, demonstration, or display while holding it for sale or rental,
24 makes a taxable sale of the property or items, the tax due on the taxable sale may
25 be offset by the tax reimbursed.

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

10 (5) No reduction in the amount of tax payable by the retailer is allowable in the
11 event property or items or property under s. 77.52 (1) (b) or (c) sold on credit are
12 repossessed except where the entire consideration paid by the purchaser is refunded
13 to the purchaser or where a credit for a worthless account is allowable under sub. (1).

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

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

22 (8) A sale or purchase involving transfer of ownership of property or items or
23 property under s. 77.52 (1) (b) or (c) is completed at the time when possession is
24 transferred by the seller or the seller's agent to the purchaser or the purchaser's
25 agent, except that for purposes of sub. (1) a common carrier or the U.S. postal service

1 shall be considered the agent of the seller, regardless of any f.o.b. point and
2 regardless of the method by which freight or postage is paid.

3 **SECTION 272.** 77.59 (2m) of the statutes is created to read:

4 77.59 (2m) The department may audit, or may authorize others to audit, sellers
5 and certified service providers who are registered with the department pursuant to
6 the agreement, as defined in s. 77.65 (2) (a).

7 **SECTION 273.** 77.59 (5m) of the statutes is amended to read:

8 77.59 (5m) A seller who receives a refund under sub. (4) (a) or (b) of taxes that
9 the seller has collected from buyers, who collects amounts as taxes erroneously from
10 buyers, but who does not remit such amounts to the state, or who is entitled to a
11 refund under sub. (4) (a) or (b) that is offset under sub. (5), shall submit the taxes and
12 related interest to the buyers from whom the taxes were collected, or to the
13 department if the seller cannot locate the buyers, within 90 days after the date of the
14 refund, after the date of the offset, or after discovering that the seller has collected
15 taxes erroneously from the buyers. If the seller does not submit the taxes and related
16 interest to the department or the buyers within that period, the seller shall submit
17 to the department any part of a refund or taxes that the seller does not submit to a
18 buyer or to the department along with a penalty of 25% of the amount not submitted
19 or, in the case of fraud, a penalty equal to the amount not submitted. A person who
20 collects amounts as taxes erroneously from buyers for a real property construction
21 activity or nontaxable service may reduce the taxes and interest that he or she is
22 required to submit to the buyer or to the department under this subsection for that
23 activity or service by the amount of tax and interest subsequently due and paid on
24 the sale of or the storage, use, or other consumption of tangible personal property or

1 items or property under s. 77.52 (1) (b) or (c) that is are used by the person in that
2 activity or service and transferred to the buyer.

3 **SECTION 274.** 77.59 (9) of the statutes is amended to read:

4 77.59 (9) If any person fails to file a return, the department shall make an
5 estimate of the amount of the ~~gross receipts~~ sales price of the ~~person~~ person's sales,
6 or, as the case may be, of the amount of the total sales purchase price of tangible
7 personal property, items or property under s. 77.52 (1) (b) or (c), or taxable service
8 sold or purchased by the person, the sale by or the storage, use, or other consumption
9 of which in this state is subject to sales or use tax. The estimate shall be made for
10 the period in respect to which the person failed to make a return and shall be based
11 upon any information which is in the department's possession or may come into its
12 possession. Upon the basis of this estimate the department shall compute and
13 determine the amount required to be paid to the state, adding to the sum thus arrived
14 at a penalty equal to 25% thereof. One or more such determinations may be made
15 for one or for more than one period. When a business is discontinued a determination
16 may be made at any time thereafter, within the periods specified in sub. (3), as to
17 liability arising out of that business.

18 **SECTION 275.** 77.59 (9n) of the statutes is created to read:

19 77.59 (9n) (a) Notwithstanding s. 73.03 (47), no seller or certified service
20 provider is liable for tax, interest, or penalties imposed on a transaction under this
21 subchapter in the circumstances covered under sections 306, 328, and 502 of the
22 agreement, as defined in s. 77.65 (2) (a).

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

1 **SECTION 276.** 77.59 (9p) (b) of the statutes is created to read:

2 **77.59 (9p) (b)** If a customer purchases a service that is not subject to 4 USC 116
3 to 126, as amended by P.L. 106-252, tangible personal property, or items or property
4 under s. 77.52 (1) (b) or (c), and if the customer believes that the amount of the tax
5 assessed for the sale of the service, property, or items, under this subchapter is
6 erroneous, the customer may request that the seller correct the alleged error by
7 sending a written notice to the seller. The notice shall include a description of the
8 alleged error and any other information that the seller reasonably requires to process
9 the request. Within 60 days from the date that a seller receives a request under this
10 paragraph, the seller shall review its records to determine the validity of the
11 customer's claim. If the review indicates that there is no error as alleged, the seller
12 shall explain the findings of the review in writing to the customer. If the review
13 indicates that there is an error as alleged, the seller shall correct the error and shall
14 refund the amount of any tax collected erroneously, along with the related interest,
15 as a result of the error from the customer, consistent with s. 77.59 (4). A customer
16 may take no other action against the seller, or commence any action against the
17 seller, to correct an alleged error in the amount of the tax assessed under this
18 subchapter on a service that is not subject to 4 USC 116 to 126, as amended by P.L.
19 106-252, tangible personal property, or items or property under s. 77.52 (1) (b) or (c)
20 unless the customer has exhausted his or her remedies under this paragraph.

21 **SECTION 277.** 77.59 (9r) of the statutes is created to read:

22 **77.59 (9r)** With regard to a purchaser's request for a refund under this section,
23 a seller is presumed to have reasonable business practices if the seller uses a certified
24 service provider, a certified automated system, as defined in s. 77.524 (1) (am), or a
25 proprietary system certified by the department to collect the taxes imposed under

1 this subchapter and if the seller has remitted to the department all taxes collected
2 under this subchapter, less any deductions, credits, or allowances.

3 **SECTION 278.** 77.60 (13) of the statutes is created to read:

4 77.60 (13) A person who uses any of the following documents in a manner that
5 is prohibited by or inconsistent with this subchapter, or provides incorrect
6 information to a seller or certified service provider related to the use of such
7 documents or regarding an exemption to the taxes imposed under this subchapter,
8 shall pay a penalty of \$250 for each invoice or bill of sale related to the prohibited or
9 inconsistent use or incorrect information:

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

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

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

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13 **SECTION 279.** 77.61 (1) (b) of the statutes is amended to read:

14 77.61 (1) (b) In the case of ~~a motor vehicle~~ motor vehicles, boats, snowmobiles,
15 recreational vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain
16 vehicles, or aircraft purchased from a licensed ~~Wisconsin motor vehicle dealer~~
17 retailer, the registrant shall present proof that the tax has been paid to such ~~dealer~~
18 retailer.

19 **SECTION 280.** 77.61 (1) (c) of the statutes is amended to read:

20 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, recreational
21 vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles, or
22 aircraft registered or titled, or required to be registered or titled, in this state
23 purchased from persons who are not ~~Wisconsin boat, trailer, or semitrailer dealers,~~
24 ~~licensed Wisconsin aircraft, motor vehicle, or recreational vehicle, as defined in s.~~
25 ~~340.01 (48r), dealers or registered Wisconsin snowmobile or all-terrain vehicle~~

1 dealers retailers, the purchaser shall file a sales tax return and pay the tax prior to
2 registering or titling the motor vehicle, boat, snowmobile, recreational vehicle, as
3 defined in s. 340.01 (48r), semitrailer, all-terrain vehicle, or aircraft in this state.

4 **SECTION 281.** 77.61 (2) of the statutes is renumbered 77.61 (2) (intro.) and
5 amended to read:

6 77.61 (2) (intro.) In order to protect the revenue of the state:

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

21 **SECTION 282.** 77.61 (2) (b) of the statutes is created to read:

22 77.61 (2) (b) A certified service provider who has contracted with a seller, and
23 filed an application, to collect and remit sales and use taxes imposed under this
24 subchapter on behalf of the seller shall submit a surety bond to the department to
25 guarantee the payment of sales and use taxes, including any penalty and interest on

1 such payment. The department shall approve the form and contents of a bond
2 submitted under this paragraph and shall determine the amount of such bond. The
3 surety bond shall be submitted to the department within 60 days after the date on
4 which the department notifies the certified service provider that the certified service
5 provider is registered to collect sales and use taxes imposed under this subchapter.
6 If the department determines, with regards to any one certified service provider, that
7 no bond is necessary to protect the tax revenues of this state, the secretary of revenue
8 or the secretary's designee may waive the requirements under this paragraph with
9 regard to that certified service provider. Any bond submitted under this paragraph
10 shall remain in force until the secretary of revenue or the secretary's designee
11 releases the liability under the bond.

12 **SECTION 283.** 77.61 (3) of the statutes is repealed.

13 **SECTION 284.** 77.61 (3m) of the statutes is created to read:

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

24 **SECTION 285.** 77.61 (4) (a) of the statutes is amended to read:

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

11 **SECTION 286.** 77.61 (4) (c) of the statutes is amended to read:

12 77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax
13 imposed on the retailer under s. 77.53 (3) and the accounting connected with it,
14 retailers, not including certified service providers that receive compensation under
15 s. 73.03 (61) (h), may deduct 0.5% of those taxes payable or \$10 for that reporting
16 period required under s. 77.58 (1), whichever is greater, but not more than the
17 amount of the sales taxes or use taxes that is payable under ss. 77.52 (1) and 77.53
18 (3) for that reporting period required under s. 77.58 (1), as administration expenses
19 if the payment of the taxes is not delinquent. For purposes of calculating the
20 retailer's discount under this paragraph, the taxes on retail sales reported by
21 retailers under subch. V, including taxes collected and remitted as required under
22 s. 77.785, shall be included if the payment of those taxes is not delinquent.

23 **SECTION 287.** 77.61 (5m) of the statutes is created to read:

24 77.61 (5m) (a) In this subsection, "personally identifiable information" means
25 any information that identifies a person.

*to document the correct assignment of
taxing jurisdictions,*

1 (b) A certified service provider may use personally identifiable information as
2 necessary only for the administration of its system to perform a seller's sales and use
3 tax functions and shall provide consumers clear and conspicuous notice of its practice
4 regarding such information, including what information it collects, how it collects
5 the information, how it uses the information, how long, if at all, it retains the
6 information, and under what circumstances it discloses the information to states
7 participating in the agreement, as defined in 77.65 (2) (a).

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

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

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

17 (f) The state shall not retain personally identifiable information obtained for
18 purposes of administering this subchapter unless the state is otherwise required to
19 retain the information by law or as provided under the agreement, as defined in s.
20 77.65 (2) (a).

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

24 (h) If any person, other than another state that is a signatory to the agreement,
25 as defined in s. 77.65 (2) (a), or a person authorized under state law to access the

1 information, requests access to an individual's personally identifiable information,
2 the state shall make a reasonable and timely effort to notify the individual of the
3 request.

4 **SECTION 288.** 77.61 (11) of the statutes is amended to read:

5 77.61 (11) Any city, village or town clerk or other official whose duty it is to issue
6 licenses or permits to engage in a business involving the sale at retail of tangible
7 personal property or items or property under s. 77.52 (1) (b) or (c) subject to tax under
8 this subchapter, or the furnishing of services so subject to tax, shall, before issuing
9 such license or permit, require proof that the person to whom such license or permit
10 is to be issued is the holder of a seller's permit as required by or is registered to collect,
11 report, and remit use tax under this subchapter or has been informed by an employee
12 of the department that the department will issue a seller's permit to that person or
13 register that person to collect, report, and remit use tax.

14 **SECTION 289.** 77.61 (16) of the statutes is created to read:

15 77.61 (16) Any person who remits taxes and files returns under this subchapter
16 may designate an agent, as defined in s. 77.524 (1) (ag), to remit such taxes and file
17 such returns with the department in a manner prescribed by the department.

18 **SECTION 290.** 77.61 (17) of the statutes is created to read:

19 77.61 (17) With regard to services subject to the tax under s. 77.52 (2) or the
20 lease, rental, or license of tangible personal property and property and items
21 specified under s. 77.52 (1) (b) and (c), an increase in the tax rate applies to the first
22 billing period beginning on or after the rate increase's effective date and a decrease
23 in the tax rate applies to bills that are rendered on or after the rate decrease's
24 effective date.

25 **SECTION 291.** 77.63 of the statutes is repealed and recreated to read:

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

6 (1) A certified service provider.

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

9 (3) A seller that sells tangible personal property, items or property under s.
10 77.52 (1) (b) or (c), or taxable services in at least 5 states that are signatories to the
11 agreement, as defined in s. 77.65 (2) (a); that has total annual sales revenue of at
12 least \$500,000,000; that has a proprietary system that calculates the amount of tax
13 owed to each taxing jurisdiction in which the seller sells tangible personal property,
14 items or property under s. 77.52 (1) (b) or (c), or taxable services; and that has entered
15 into a performance agreement with the states that are signatories to the agreement,
16 as defined in s. 77.65 (2) (a). For purposes of this subsection, "seller" includes an
17 affiliated group of sellers using the same proprietary system to calculate the amount
18 of tax owed in each taxing jurisdiction in which the sellers sell tangible personal
19 property, items or property under s. 77.52 (1) (b) or (c), or taxable services.

20 **SECTION 292.** 77.65 (2) (a) of the statutes is amended to read:

21 77.65 (2) (a) "Agreement" means the streamlined sales and use tax agreement,
22 including amendments to the agreement.

23 **SECTION 293.** 77.65 (2) (c) of the statutes is repealed.

24 **SECTION 294.** 77.65 (2) (e) of the statutes is amended to read:

1 77.65 (2) (e) "Seller" means any person who sells, leases, or rents tangible
2 personal property, items or property under s. 77.52 (1) (b) or (c), or services.

3 **SECTION 295.** 77.65 (2) (f) of the statutes is amended to read:

4 77.65 (2) (f) "State" means any state of the United States ~~and~~, the District of
5 Columbia, and the Commonwealth of Puerto Rico.

6 **SECTION 296.** 77.65 (4) (fm) of the statutes is created to read:

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

12 **SECTION 297.** 77.66 of the statutes is amended to read:

13 **77.66 Certification for collection of sales and use tax.** The secretary of
14 revenue shall determine and periodically certify to the secretary of administration
15 the names of persons, and affiliates, as defined in s. 16.70 (1b), of persons, who make
16 sales of tangible personal property, items or property under s. 77.52 (1) (b) and (c),
17 and taxable services that are subject to the taxes imposed under this subchapter but
18 who are not registered to collect and remit such taxes to the department or, if
19 registered, do not collect and remit such taxes.

20 **SECTION 298.** 77.67 of the statutes is created to read:

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

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

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

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

12 (d) The seller has not received a notice of the commencement of an audit from
13 the department or, if the seller has received a notice of the commencement of an audit
14 from the department, the audit has been fully resolved, including any related
15 administrative and judicial processes, at the time that the seller registers under par.
16 (a).

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

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

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

24 **SECTION 299.** 77.70 of the statutes is amended to read:

1 **77.70 Adoption by county ordinance.** Any county desiring to impose county
2 sales and use taxes under this subchapter may do so by the adoption of an ordinance,
3 stating its purpose and referring to this subchapter. The county sales and use taxes
4 may be imposed only for the purpose of directly reducing the property tax levy and
5 only in their entirety as provided in this subchapter. That ordinance shall be
6 effective on the first day of January, the first day of April, the first day of July or the
7 first day of October. A certified copy of that ordinance shall be delivered to the
8 secretary of revenue at least 120 days prior to its effective date. The repeal of any
9 such ordinance shall be effective on December 31. A certified copy of a repeal
10 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before
11 the effective date of the repeal.

12 **SECTION 300.** 77.705 of the statutes is amended to read:

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

22 **SECTION 301.** 77.706 of the statutes is amended to read:

23 **77.706 Adoption by resolution; football stadium district.** A local
24 professional football stadium district created under subch. IV of ch. 229, by
25 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this

1 subchapter at a rate of 0.5% of the ~~gross receipts or~~ sales price or purchase price.
2 Those taxes may be imposed only in their entirety. The imposition of the taxes under
3 this section shall be effective on the first day of the first month January 1, April 1,
4 July 1, or October 1 that begins at least 30 120 days after the certification of the
5 approval of the resolution by the electors in the district's jurisdiction under s. 229.824
6 (15). Any moneys transferred from the appropriation account under s. 20.566 (1) (ge)
7 to the appropriation account under s. 20.835 (4) (ge) shall be used exclusively to retire
8 the district's debt.

9 **SECTION 302.** 77.707 (1) of the statutes is amended to read:

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

18 **SECTION 303.** 77.707 (2) of the statutes is amended to read:

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

1 day after the last day of that calendar quarter and fees, interest and penalties that
2 relate to those taxes.

3 **SECTION 304.** 77.71 (1) of the statutes is amended to read:

4 77.71 (1) For the privilege of selling, licensing, leasing or renting tangible
5 personal property, and the property and items specified under s. 77.52 (1) (b) and (c),
6 and for the privilege of selling, licensing, performing or furnishing services a sales
7 tax is imposed upon retailers at the rate of 0.5% in the case of a county tax or at the
8 rate under s. 77.705 or 77.706 in the case of a special district tax of the ~~gross receipts~~
9 sales price from the sale, licensing, lease or rental of tangible personal property, and
10 the property and items specified under s. 77.52 (1) (b) and (c), except property taxed
11 under sub. (4), sold, licensed, leased or rented at retail in the county or special district
12 or from selling, licensing, performing or furnishing services described under s. 77.52
13 (2) in the county or special district.

14 **SECTION 305.** 77.71 (2) of the statutes is amended to read:

15 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax
16 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
17 purchase price upon every person storing, using or otherwise consuming in the
18 county or special district tangible personal property, property and items specified
19 under s. 77.52 (1) (b) and (c), or services if the property, item, or service is subject to
20 the state use tax under s. 77.53, except that a receipt indicating that the tax under
21 sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax under this
22 subsection and except that if the buyer has paid a similar local tax in another state
23 on a purchase of the same property, item, or services that tax shall be credited against
24 the tax under this subsection and except that for motor vehicles that are used for a
25 purpose in addition to retention, demonstration or display while held for sale in the

1 regular course of business by a dealer the tax under this subsection is imposed not
2 on the sales purchase price but on the amount under s. 77.53 (1m).

3 **SECTION 306.** 77.71 (3) of the statutes is amended to read:

4 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
5 activities within the county or special district, at the rate of 0.5% in the case of a
6 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
7 of the sales purchase price of tangible personal property that is used in constructing,
8 altering, repairing or improving real property and that becomes a component part
9 of real property in that county or special district, except that if the contractor has
10 paid the sales tax of a county in the case of a county tax or of a special district in the
11 case of a special district tax in this state on that property, or has paid a similar local
12 sales tax in another state on a purchase of the same property, that tax shall be
13 credited against the tax under this subsection.

14 **SECTION 307.** 77.71 (4) of the statutes is amended to read:

15 77.71 (4) An excise tax is imposed at the rate of 0.5 percent in the case of a
16 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
17 of the sales purchase price upon every person storing, using or otherwise consuming
18 a motor vehicle, boat, ~~snowmobile~~, recreational vehicle, as defined in s. 340.01 (48r),
19 ~~trailer, semitrailer, all-terrain vehicle~~ or aircraft, if that property must be registered
20 or titled with this state and if that property is to be customarily kept in a county that
21 has in effect an ordinance under s. 77.70 or in a special district that has in effect a
22 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local
23 sales tax in another state on a purchase of the same property that tax shall be
24 credited against the tax under this subsection.

25 **SECTION 308.** 77.72 (title) of the statutes is repealed.

1 **SECTION 309.** 77.72 (1) of the statutes is renumbered 77.72 and amended to
2 read:

3 **77.72 General rule for property.** For the purposes of this subchapter, all
4 retail sales of tangible personal property ~~are completed at the time when, and the~~
5 ~~place where, the seller or the seller's agent transfers possession to the buyer or the~~
6 ~~buyer's agent. In this subsection, a common carrier or the U.S. postal service is the~~
7 ~~agent of the seller, regardless of any f.o.b. point and regardless of the method by~~
8 ~~which freight or postage is paid. Rentals and leases of property, except property~~
9 ~~under sub. (2), have a situs at the location of that property, and property and items~~
10 specified under s. 77.52 (1) (b) and (c), and taxable services occur as provided in s.
11 77.522.

12 **SECTION 310.** 77.72 (2) and (3) of the statutes are repealed.

13 **SECTION 311.** 77.73 (2) of the statutes is amended to read:

14 **77.73 (2)** Counties and special districts do not have jurisdiction to impose the
15 tax under s. 77.71 (2) in regard to items and property under s. 77.52 (1) (b) and (c)
16 and tangible personal property, except snowmobiles, trailers, semitrailers, and
17 all-terrain vehicles, purchased in a sale that is consummated in another county or
18 special district in this state that does not have in effect an ordinance or resolution
19 imposing the taxes under this subchapter and later brought by the buyer into the
20 county or special district that has imposed a tax under s. 77.71 (2).

21 **SECTION 312.** 77.73 (3) of the statutes is created to read:

22 **77.73 (3)** Counties and special districts have jurisdiction to impose the taxes
23 under this subchapter on retailers who file an application under s. 77.52 (7) or who
24 register under s. 77.53 (9) or (9m), regardless of whether such retailers are engaged
25 in business in the county or special district, as provided in s. 77.51 (13g). A retailer

1 who files an application under s. 77.52 (7) or who registers under s. 77.53 (9) or (9m)
2 shall collect, report, and remit to the department the taxes imposed under this
3 subchapter for all counties and special districts that have an ordinance or resolution
4 imposing the taxes under this subchapter.

5 **SECTION 313.** 77.75 of the statutes is amended to read:

6 **77.75 Reports.** Every person subject to county or special district sales and use
7 taxes shall, for each reporting period, record that person's sales made in the county
8 or special district that has imposed those taxes separately from sales made
9 elsewhere in this state and file a report of the measure of the county or special district
10 sales and use taxes and the tax due thereon separately as prescribed by the
11 department of revenue.

12 **SECTION 314.** 77.77 (1) of the statutes is renumbered 77.77 (1) (a) and amended
13 to read:

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

24 **SECTION 315.** 77.77 (1) (b) of the statutes is created to read:

1 77.77 (1) (b) The sales price from services subject to the tax under s. 77.52 (2)
2 or the lease, rental, or license of tangible personal property, and property and items
3 specified under s. 77.52 (1) (b) and (c), is not subject to the taxes under this
4 subchapter, and a decrease in the tax rate imposed under this subchapter on those
5 services first applies, beginning with bills rendered on or after the effective date of
6 the repeal or sunset of a county ordinance or special district resolution imposing the
7 tax or other rate decrease, regardless of whether the service is furnished or the
8 property or item is leased, rented, or licensed to the customer before or after that
9 date.

10 **SECTION 316.** 77.77 (2) of the statutes is repealed.

11 **SECTION 317.** 77.785 (1) of the statutes is amended to read:

12 77.785 (1) All retailers shall collect and report the taxes under this subchapter
13 on the ~~gross receipts~~ sales price from leases and rentals of property or items and
14 property under s. 77.52 (1) (b) and (c) under s. 77.71 (4).

15 **SECTION 318.** 77.785 (2) of the statutes is amended to read:

16 77.785 (2) Prior to registration or titling, a retailer of a boat, all-terrain vehicle,
17 trailer and semi-trailer dealers and licensed aircraft, motor vehicle, manufactured
18 home, as defined in s. 101.91 (2), or recreational vehicle, as defined in s. 340.01 (48r),
19 and snowmobile dealers shall collect the taxes under this subchapter on sales of
20 items under s. 77.71 (4). The ~~dealer~~ retailer shall remit those taxes to the
21 department of revenue along with payments of the taxes under subch. III.

22 **SECTION 319.** 77.98 of the statutes is amended to read:

23 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may
24 impose a tax on the retail sale, except sales for resale, within the district's
25 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~

1 ~~(e) 1. to 3. and not~~ candy, as defined in s. 77.51 (1fm), prepared food, as defined in s.
2 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the
3 sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) or ~~(20) (e) 5.,~~ (20n) (b) and (c),
4 and (20r).

5 **SECTION 320.** 77.981 of the statutes is amended to read:

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

15 **SECTION 321.** 77.982 (2) of the statutes is repealed and recreated to read:

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

21 **SECTION 322.** 77.99 of the statutes is amended to read:

22 **77.99 Imposition.** A local exposition district under subch. II of ch. 229 may
23 impose a tax at the rate of 3% of the ~~gross receipts~~ sales price on the rental, but not
24 for rental and not for rental as a service or repair replacement vehicle, within the
25 district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01.

1 (4) (a), by establishments primarily engaged in short-term rental of passenger cars
2 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales
3 tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under
4 s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's
5 authorized board of directors may vote to increase the tax rate under this subchapter
6 to 4%. A resolution to adopt the taxes imposed under this section, or an increase in
7 the tax rate, shall be effective on the first January 1, April 1, July 1, or October 1
8 following the adoption of the resolution or tax increase.

9 **SECTION 323.** 77.991 (2) of the statutes is repealed and recreated to read:

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

16 **SECTION 324.** 77.994 (1) (intro.) of the statutes is amended to read:

17 77.994 (1) (intro.) Except as provided in sub. (2), a municipality or a county all
18 of which is included in a premier resort area under s. 66.1113 may, by ordinance,
19 impose a tax at a rate of 0.5% of the ~~gross receipts~~ sales price from the sale, license,
20 lease, or rental in the municipality or county of goods or services that are taxable
21 under subch. III made by businesses that are classified in the standard industrial
22 classification manual, 1987 edition, published by the U.S. office of management and
23 budget, under the following industry numbers:

24 **SECTION 325.** 77.9941 (4) of the statutes is amended to read:

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

4 **SECTION 326.** 77.995 (2) of the statutes is amended to read:

5 77.995 (2) There is imposed a fee at the rate of 5 percent of the ~~gross receipts~~
6 sales price on the rental, but not for rental and not for rental as a service or repair
7 replacement vehicle of Type 1 automobiles, as defined in s. 340.01 (4) (a); of
8 recreational vehicles, as defined in s. 340.01 (48r); of motor homes, as defined in s.
9 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by establishments
10 primarily engaged in short-term rental of vehicles without drivers, for a period of 30
11 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7)
12 (a), (7m) or (9a). There is also imposed a fee at the rate of 5 percent of the ~~gross~~
13 receipts sales price on the rental of limousines.

14 **SECTION 327.** 77.9951 (2) of the statutes is repealed and recreated to read:

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

20 **SECTION 328.** 77.996 (6) of the statutes is amended to read:

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

1 **SECTION 329.** 77.9971 of the statutes is amended to read:

2 **77.9971 Imposition.** A regional transit authority under s. 59.58 (6) may
3 impose a fee at a rate not to exceed \$2 \$15 for each transaction in the region, as
4 defined in s. 59.58 (6) (a) 2., on the rental, but not for rental and not for rental as
5 a service or repair replacement vehicle, of Type 1 automobiles, as defined in s. 340.01
6 (4) (a), by establishments primarily engaged in short-term rental of passenger cars
7 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales
8 tax under s. 77.54 (1), (4), (7) (a), (7m), (9), or (9a). The fee imposed under this
9 subchapter shall be effective on the first day of the first month that begins at least
10 90 days after the governing body of the regional transit authority approves the
11 imposition of the fee and notifies the department of revenue. The governing body
12 shall notify the department of a repeal of the fee imposed under this subchapter at
13 least 60 days before the effective date of the repeal.

14 **SECTION 330.** 77.9972 (2) of the statutes is repealed and recreated to read:

15 77.9972 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),
16 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61
17 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
18 subch. III, apply to the fee under this subchapter. Section 77.73, as it applies to the
19 taxes under subch. V, applies to the fee under this subchapter. The renter shall
20 collect the fee under this subchapter from the person to whom the passenger car is
21 rented.

22 **SECTION 331.** 86.195 (3) (b) 3. of the statutes is amended to read:

23 86.195 (3) (b) 3. Fifty percent of the ~~gross receipts~~ sales price, as defined in s.
24 77.51 (15b), of the business are is from meal, food, the sale of food product and

1 ~~beverage sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under~~
2 ~~s. 77.54 (20) (e) subch. III of ch. 77; and~~

3 **SECTION 332.** 218.0171 (2) (cq) of the statutes is amended to read:

4 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
5 the manufacturer shall provide to the consumer a written statement that specifies
6 the trade-in amount previously applied under s. 77.51 (4) (b) 3. ~~or 3m. or (15) (b) 4.~~
7 ~~or 4m. (12m) (b) 5. or 6. or (15b) (b) 5. or 6.~~ toward the sales price of the motor vehicle
8 having the nonconformity and the date on which the manufacturer provided the
9 refund.

10 **SECTION 333.** 229.68 (15) of the statutes is amended to read:

11 229.68 (15) Impose, by the adoption of a resolution, the taxes under subch. V
12 of ch. 77. A district may not levy any taxes that are not expressly authorized under
13 subch. V of ch. 77 and that do not receive the affirmative vote of a supermajority of
14 the district board. If a district adopts a resolution which imposes taxes, it shall
15 deliver a certified copy of the resolution to the secretary of revenue at least ~~30~~ 120
16 days before its effective date.

17 **SECTION 334.** 229.824 (15) of the statutes is amended to read:

18 229.824 (15) Impose, by the adoption of a resolution, the taxes under subch. V
19 of ch. 77, except that the taxes imposed by the resolution may not take effect until
20 the resolution is approved by a majority of the electors in the district's jurisdiction
21 voting on the resolution at a referendum, to be held at the first spring primary or
22 September primary following by at least 45 days the date of adoption of the
23 resolution. Two questions shall appear on the ballot. The first question shall be:
24 "Shall a sales tax and a use tax be imposed at the rate of 0.5% in ... County for
25 purposes related to football stadium facilities in the ... Professional Football

1 Stadium District?" The 2nd question shall be: "Shall excess revenues from the 0.5%
2 sales tax and use tax be permitted to be used for property tax relief purposes in
3 County?" Approval of the first question constitutes approval of the resolution of the
4 district board. Approval of the 2nd question is not effective unless the first question
5 is approved. The clerk of the district shall publish the notices required under s. 10.06
6 (4) (c), (f) and (i) for any referendum held under this subsection. Notwithstanding
7 s. 10.06 (4) (c), the type A notice under s. 10.01 (2) (a) relating to the referendum is
8 valid even if given and published late as long as it is given and published prior to the
9 election as early as practicable. A district may not levy any taxes that are not
10 expressly authorized under subch. V of ch. 77. The district may not levy any taxes
11 until the professional football team and the governing body of the municipality in
12 which the football stadium facilities are located agree on how to fund the
13 maintenance of the football stadium facilities. The district may not levy any taxes
14 until the professional football team and the governing body of the municipality in
15 which the football stadium facilities are located agree on how to distribute the
16 proceeds, if any, from the sale of naming rights related to the football stadium
17 facilities. If a district board adopts a resolution that imposes taxes and the resolution
18 is approved by the electors, the district shall deliver a certified copy of the resolution
19 to the secretary of revenue at least 30 120 days before its effective date. If a district
20 board adopts a resolution that imposes taxes and the resolution is not approved by
21 the electors, the district is dissolved.

22 **SECTION 9443. Effective dates; Revenue.**

23 (1) MAIN STREET EQUITY ACT. The repeal of sections 46.513, 77.51 (4), 77.51 (14)
24 (d), 77.51 (14) (i), 77.51 (14) (k), 77.51 (14) (L), 77.51 (14r), 77.51 (15), 77.52 (2) (a)
25 5. b., 77.52 (3m), 77.52 (3n), 77.52 (6), 77.52 (14) (a) 2., 77.523 (title), 77.53 (4), 77.54

1 (14g), 77.54 (14s), 77.54 (20), 77.54 (20m), 77.54 (22), 77.54 (40), 77.61 (3), 77.65 (2)
2 (c), 77.72 (title), 77.72 (2) and (3) and 77.77 (2) of the statutes; the renumbering of
3 sections 77.524 (1) (a) and 77.54 (48) (b) of the statutes; the renumbering and
4 amendment of sections 77.51 (1), 77.51 (21m) (by SECTION 118), 77.51 (6m), 77.51 (14)
5 (g), 77.52 (1), 77.523, 77.524 (1) (b), 77.53 (9m), 77.53 (11), 77.54 (48) (a), 77.61 (2),
6 77.72 (1) and 77.77 (1) of the statutes; the consolidation, renumbering, and
7 amendment of section 77.52 (14) (a) (intro.) and 1. and (b) of the statutes; the
8 amendment of sections 66.0615 (1m) (f) 2., 70.111 (23), 71.07 (5e) (b), 71.07 (5e) (c)
9 1., 71.07 (5e) (c) 3., 71.28 (5e) (b), 71.28 (5e) (c) 1., 71.28 (5e) (c) 3., 71.47 (5e) (b), 71.47
10 (5e) (c) 1., 71.47 (5e) (c) 3., 73.03 (50) (d), 76.07 (4g) (b) 8., 77.51 (5), 77.51 (9) (a), 77.51
11 (9) (am), 77.51 (10), 77.51 (12) (b), 77.51 (13) (a), 77.51 (13) (b), 77.51 (13) (c), 77.51
12 (13) (d), 77.51 (13) (e), 77.51 (13) (f), 77.51 (13) (k), 77.51 (13) (m), 77.51 (13) (n), 77.51
13 (13) (o), 77.51 (13g) (intro.), 77.51 (13g) (a), 77.51 (13g) (b), 77.51 (13r), 77.51 (14)
14 (intro.), 77.51 (14) (a), 77.51 (14) (b), 77.51 (14) (c), 77.51 (14) (h), 77.51 (14) (j), 77.51
15 (14g) (a), 77.51 (14g) (b), 77.51 (14g) (bm), 77.51 (14g) (c), 77.51 (14g) (cm), 77.51 (14g)
16 (d), 77.51 (14g) (e), 77.51 (14g) (em), 77.51 (14g) (f), 77.51 (14g) (g), 77.51 (14g) (h),
17 77.51 (17) (intro.), 77.51 (18), 77.51 (20), 77.51 (21), 77.51 (22) (a), 77.51 (22) (b), 77.52
18 (2) (intro.), 77.52 (2) (a) 5. a. (by SECTION 134), 77.52 (2) (a) 5m., 77.52 (2) (a) 10., 77.52
19 (2) (a) 11., 77.52 (2m) (a), 77.52 (2m) (b), 77.52 (4), 77.52 (7), 77.52 (12), 77.52 (13),
20 77.52 (15), 77.52 (16), 77.52 (17m) (b) 6., 77.52 (19), 77.525, 77.53 (1), 77.53 (2), 77.53
21 (3), 77.53 (9), 77.53 (10), 77.53 (12), 77.53 (14), 77.53 (15), 77.53 (16), 77.53 (17), 77.53
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23 (3m) (intro.), 77.54 (4), 77.54 (5) (intro.), 77.54 (6) (intro.), 77.54 (7m), 77.54 (8), 77.54
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2 77.54 (27), 77.54 (28), 77.54 (29), 77.54 (30) (a) (intro.), 77.54 (30) (c), 77.54 (31), 77.54
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4 77.54 (42), 77.54 (43), 77.54 (44), 77.54 (45), 77.54 (46), 77.54 (46m), 77.54 (47)
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7 77.58 (6), 77.59 (5m), 77.59 (9), 77.61 (1) (b), 77.61 (1) (c), 77.61 (4) (a), 77.61 (4) (c),
8 77.61 (11), 77.65 (2) (a), 77.65 (2) (e), 77.65 (2) (f), 77.66, 77.70, 77.705, 77.706, 77.707
9 (1), 77.707 (2), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4), 77.73 (2), 77.75, 77.785 (1),
10 77.785 (2), 77.98, 77.981, 77.99, 77.994 (1) (intro.), 77.9941 (4), 77.995 (2), 77.996 (6),
11 77.9971, 86.195 (3) (b) 3., 218.0171 (2) (cq), 229.68 (15) and 229.824 (15) of the
12 statutes; the repeal and recreation of sections 77.51 (7), 77.51 (12) (a), 77.51 (17m),
13 77.52 (1b), 77.52 (2n), 77.53 (1b), 77.63, 77.982 (2), 77.991 (2), 77.9951 (2) and
14 77.9972 (2) of the statutes; and the creation of sections 20.566 (1) (ho), 73.03 (28e),
15 73.03 (50b), 73.03 (61), 77.51 (1b), 77.51 (1ba), 77.51 (1f), 77.51 (1fm), 77.51 (1n),
16 77.51 (1p), 77.51 (1r), 77.51 (2k), 77.51 (2m), 77.51 (3c), 77.51 (3n), 77.51 (3pd), 77.51
17 (3pe), 77.51 (3pf), 77.51 (3pj), 77.51 (3pm), 77.51 (3pn), 77.51 (3po), 77.51 (3rm), 77.51
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19 77.51 (9p), 77.51 (9s), 77.51 (10d), 77.51 (10f), 77.51 (10m), 77.51 (10n), 77.51 (10r),
20 77.51 (10s), 77.51 (11d), 77.51 (11m), 77.51 (12m), 77.51 (12p), 77.51 (13g) (c), 77.51
21 (13rm), 77.51 (13rn), 77.51 (15a), 77.51 (15b), 77.51 (17w), 77.51 (21n), 77.51 (21p),
22 77.51 (21q), 77.51 (22) (bm), 77.51 (24), 77.51 (25), 77.51 (26), 77.52 (1) (b), 77.52 (1)
23 (c), 77.52 (2) (a) 5. am., 77.52 (2) (a) 5. c., 77.52 (2) (a) 13m., 77.52 (7b), 77.52 (14) (am),
24 77.52 (20), 77.52 (21), 77.52 (22), 77.52 (23), 77.522, 77.524 (1) (ag), 77.53 (9m) (b),
25 77.53 (9m) (c), 77.53 (11) (b), 77.54 (20n), 77.54 (20r), 77.54 (22b), 77.54 (51), 77.54

77.61(18),

1 (52), 77.58 (6m), 77.58 (9a), 77.585, 77.59 (2m), 77.59 (9n), 77.59 (9p) (b), 77.59 (9r),
2 77.60 (13), 77.61 (2) (b), 77.61 (3m), 77.61 (5m), 77.61 (16), 77.61 (17), 77.65 (4) (fm),
3 77.67, 77.73 (3) and 77.77 (1) (b) of the statutes take effect on January 1, 2010.

4 (2) The amendment of sections 77.51 (21m) (by SECTION 117) and 77.52 (2) (a)
5 5. a. (by SECTION 133) of the statutes takes effect on December 31, 2009.

6 (END)

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0377/P3ins
JK:kjf:jf

Insert 10 - 7

1 **SECTION 1.** 77.51 (1pd) of the statutes is created to read:
2 77.51 (1pd) "Computer software maintenance contract" means a contract that
3 obligates a vendor of computer software to provide a customer with future updates
4 or upgrades to computer software, computer software support services, or both.

Insert 26 - 19

5 *not*, if the delivery charges for direct mail are separately stated on the invoice, bill
6 of sale, or similar document that the seller gives to the purchaser

Insert 38 - 14

7 *not*, if the delivery charges for direct mail are separately stated on the invoice, bill
8 of sale, or similar document that the seller gives to the purchaser

Insert 59 - 5

9 *not* an exemption certificate claiming direct mail

Insert 59 - 7

10 *not* an exemption certificate claiming direct mail

Insert 59 - 10

11 *not* An exemption certificate claiming direct mail

Insert 72 - 9

12 *not* an exemption certificate claiming direct mail

Insert 101 - 12

13 *not* An exemption certificate claiming direct mail

Insert 106 - 24

1 **SECTION 2.** 77.61 (18) of the statutes[✓] is created to read:

2 77.61 (18). The department[✓] shall notify sellers with respect to any change in
3 the rate of the taxes imposed under this subchapter[✓] at least 30 days prior to the
4 change's effective date and any such change shall take effect on January 1, April 1,
5 July 1, or October 1.

Changes Needed to LRB 0377/P3

The following changes need to be made to LRB 0377/P3 to make sure Wisconsin is in compliance with the SSUTA as amended through December 2008:

- ✓ • 73.03(61)(f) – after “shall” on page 7, line 4, insert “be provided at no cost and” (Note: This change is being made to ensure compliance with sec. 307.A. of the SSUTA.)
- ✓ • 77.59(9n)(a) – after “subchapter” on page 100, line 1, insert “if the seller or certified service provider charged and collected the incorrect amount of sales or use tax that resulted from the seller or certified service provider relying on erroneous data provided in the databases required under secs. 73.03(61)(e) and (f).” (Note: This change is to ensure compliance with sec. 306 and 328.B. of the SSUTA.)
- ✓ • 77.59(9n)(a) – (page 100, line 3) - renumber 77.59(9n)(b) to (9n)(c) and then create a new (b) which provides that “Notwithstanding 73.03(47) and subd. (a) above, no seller or certified service provider is liable for the tax, interest or penalties imposed if the seller or certified service provider failed to collect the sales and use taxes due on an item or transaction because the seller or certified service provider relied on the certification by the state under sec. 73.03(61)(b). However, the relief from liability provided by this paragraph does not apply when the seller or certified service provider has incorrectly classified an item or transaction into a specific product category, unless the item or transaction within a product category was approved jointly by the states that are signatories to the agreement, as defined in s. 77.65(2)(a). If the state determines that it has incorrectly classified an item or transaction, sellers and certified service providers must revise the classification of the item or transaction within ten days after receipt of notice from the department that an item or transaction was incorrectly classified, or they are not relieved from liability for the incorrect classification after the ten days.” (Note: This change is to ensure compliance with sec. 502.B., D. and E. of the SSUTA.)
- ✓ • 77.59(9n)(b) – (page 100, line 3) renumber to 77.54(9n)(c) and then delete “in the circumstances covered by sections 331 of the agreement, as defined in s. 77.65(2)(a).” and then after “subchapter” on page 100, line 4, insert “if the seller or CSP from whom the purchaser made the purchase relied on erroneous data provided in the databases required under secs. 73.03(61)(e) and (f), or if the purchaser relied on erroneous data provided in the databases required under secs. 73.03(61)(e) and (f). With respect to reliance on the database provided under s. 73.03(61)(e), relief is limited to the erroneous classification in the database of terms defined in this subchapter and specifically identified in the database as being “taxable”, “exempt”, “included in sales price” or “excluded from sales price”, or “included in the definition” or “excluded from the definition”. (Note: This change is to ensure compliance with sec. 331.A. and B. of the SSUTA.)
- ✓ • 77.52(14) – after 77.52(14)(am), on line 19 of page 54, insert a new section (b) which provides that “A certified service provider, as defined in s. 77.51(1g), is relieved of its liability for the tax otherwise due, to the same extent as the seller, who is the certified service provider’s client, is relieved of its liability under s. 77.52(14).” (Note: This change is to ensure compliance with sec. 502.C. of the SSUTA.)

- ✓ 77.522(1)(b)5.b. – after “seller” on page 59, line 6, insert “not including any location that merely provided the digital transfer of the product sold”. (Note: This change is being made to ensure compliance with sec. 310 A.5 of the SSUTA.)
- ✓ 77.51(10m)(a)3.b. – after “purchaser” on page 20, line 16, replace “not including” with “except that” and after “ingredients” on page 20, line 18, replace “and that the retailer makes” with “need only be made”. (Note: This is to ensure compliance with the Governing Board’s interpretation 2006-04 relating to prepared food – specifically item C on page 123 of the SSUTA.)
- ✓ 77.51(10m)(c)1.a. – after “1.” on page 21, line 17, delete “and” and insert a “,” and then after “2.” on page 21, line 18 insert “, and 4”. (Note: This is to ensure compliance with the Governing Board’s interpretation 2006-04 relating to prepared food – specifically item 2 on page 124 of the SSUTA.)
- ✓ 77.51(10m)(c)3. – after “item” on page 22, line 11, insert “except that plates, bowls, glasses or cups necessary for the purchaser to receive the food need only be made available to the purchaser.” (Note: This is to ensure compliance with the Governing Board’s interpretation 2006-04 relating to prepared food – specifically item 6 on page 124 of the SSUTA.)
- ✓ 77.51(15b)(a) – On page 37, line 8, insert “licensed,” between “sold,” and “leased” and insert “license” between “sale” and “lease” on line 13
- ✓ 77.51(17)(intro) – On page 40, line 10, insert “licensing,” between “selling,” and “leasing”
- ✓ 77.52(1b) – On page 46, line 21, insert “licenses” between “sales” and “leases”
- ✓ 77.52(2)(intro.) – On page 46, line 24 through page 47, line 5 amend this provision so that it reads as follows: “For the privilege of selling, licensing, performing or furnishing the services described under par. (a) at retail in this state as determined under s. 77.522, to consumers or users, whether the consumer or user has the right of permanent use or less than the right of permanent use and regardless of whether the service is conditioned on continued payment from the purchaser, a tax is imposed upon all persons selling, licensing, performing or furnishing the services at the rate of 5% of the gross receipts sales price from the sale, license, performance or furnishing of the services. (Note: This change is needed to allow us to continue taxing (1) photographic services where the pictures are transferred electronically to the purchaser in Wisconsin, (2) admissions to all on-line games in Wisconsin, (3) services to computers and prewritten computer software that are performed online as opposed to physically going to the customer’s location to provide the service and (4) any other service that is “transferred electronically” to the customer. See Section 332.D. of the SSUTA.)
- ✓ 77.65(2)(e) – On page 108, line 12, insert “licenses” between “sells” and “leases” and insert “digital audio visual works,” between “(c),” and “or”
- ✓ 77.71(1) – On page 112, line 18, change “licensing” to “license”

Changes Needed Relating to Cable TV Services

- ✓ Adopt the definition of “Digital audio visual works.” The definition would be “Digital audio visual works’ means a series of related images that, when shown in succession, impart an impression of motion, along with accompanying sounds, if any, and that are transferred electronically. ‘Digital audio visual works’ includes movies, motion pictures, musical videos, news and entertainment programs, and

live events, but does not include video greeting cards or video or electronic games.”

- Adopt specific imposition language with respect to imposing tax on “digital audio visual works” in 77.52. The imposition language could read as follows: “A tax is imposed on all retailers at the rate of 5 percent of the sales price from the sale, lease, license, or rental of digital audio visual works at retail for the right to use the digital audio visual works on a permanent or less than permanent basis and regardless of whether the purchaser is required to make continued payments for such right.”
- 77.522(2)(d) – On page 60, line 19 insert “or digital audio visual works” between “(c)” and “shall”
- Amend 77.53(1) – On page 66, line 21 between “items;” and “and” insert “on the storage, use, or other consumption of digital audio visual works purchased from any retailer, if the purchaser has the right to use the digital audio visual works on a permanent or less than permanent basis and regardless of whether the purchaser is required to make continued payments for such right, at the rate of 5 percent of the sales price of such goods;
- After Section 256 on page 89, insert a new section (77.54(50)???) to provide as follows: “The sales price from the sale of and the storage, use, or other consumption of digital audio visual works that are transferred electronically to the purchaser, if the sale of and the storage, use, or other consumption of such works sold in a tangible form is exempt from taxation under this subchapter.”
- In each of the places identified in LRB 384-P2 (the digital goods LRB draft), the phrase “specified digital goods and additional digital goods” would need to be replaced with “digital audio visual works” and combined with the provisions in this LRB. This would include sections 1, 10 - 31, 33 - 61, 63 - 64, 66 - 68, 71, 73 - 83, 86 - 98, 100 - 107, 109 - 114 of LRB 384-P2.