

1 **SECTION 129.** 77.52 (1) of the statutes is renumbered 77.52 (1) (a) and amended
2 to read:

3 77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible
4 personal property, including accessories, components, attachments, parts, supplies
5 and materials, at retail a tax is imposed upon all retailers at the rate of 5% of the
6 ~~gross receipts~~ sales price from the sale, license, lease or rental of tangible personal
7 property, including accessories, components, attachments, parts, supplies and
8 materials, sold, leased or rented at retail in this state, as determined under s. 77.522.

9 **SECTION 130.** 77.52 (1) (b) of the statutes is created to read:

10 77.52 (1) (b) For the privilege of selling at retail coins and stamps of the United
11 States that are sold or traded as collectors' items above their face value, a tax is
12 imposed on all retailers at the rate of 5 percent of the sales price from the sale of such
13 coins and stamps.

14 **SECTION 131.** 77.52 (1) (c) of the statutes is created to read:

15 77.52 (1) (c) For the privilege of leasing property that is affixed to real property,
16 a tax is imposed on all retailers at the rate of 5 percent of the sales price from the lease
17 of such property, if the lessor has the right to remove the leased property upon breach
18 or termination of the lease agreement, unless the lessor of the leased property is also
19 the lessor of the real property to which the leased property is affixed.

20 **SECTION 132.** 77.52 (1b) of the statutes is repealed and recreated to read:

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21 77.52 (1b) All sales, leases, or rentals of tangible personal property or items
22 or property under sub. (1) (b) or (c) at retail in this state are subject to the tax imposed
23 under sub. (1) unless an exemption in this subchapter applies.

24 **SECTION 133.** 77.52 (2) (intro.) of the statutes is amended to read:

licenses,

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1 77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing
2 the services described under par. (a) at retail in this state, as determined under s.
3 77.522, to consumers or users, a tax is imposed upon all persons selling, licensing,
4 performing or furnishing the services at the rate of 5% of the gross receipts sales price
5 from the sale, license, performance or furnishing of the services.

6 **SECTION 134.** 77.52 (2) (a) 5. a. of the statutes is amended to read:

7 77.52 (2) (a) 5. a. The sale of telecommunications and Internet access services,
8 except services subject to 4 USC 116 to 126, as amended by P.L. 106-252, that either
9 originate or terminate in this state; except services that are obtained by means of a
10 toll-free number, that originate outside this state and that terminate in this state;
11 and are charged to a service address in this state, regardless of the location where
12 that charge is billed or paid; and the sale of the rights to purchase
13 telecommunications services, including purchasing reauthorization numbers, by
14 paying in advance and by using an access number and authorization code, except
15 sales that are subject to subd. 5. b.

16 **SECTION 135.** 77.52 (2) (a) 5. a. of the statutes, as affected by 2009 Wisconsin
17 Act (this act), is amended to read:

18 77.52 (2) (a) 5. a. The sale of telecommunications ~~and Internet access~~ services,
19 ~~except services subject to 4 USC 116 to 126, as amended by P.L. 106-252, that either~~
20 ~~originate or terminate in this state; except services that are obtained by means of a~~
21 ~~toll-free number, that originate outside this state and that terminate in this state;~~
22 ~~and are charged to a service address in this state, regardless of the location where~~
23 ~~that charge is billed or paid; and the sale of the rights to purchase~~
24 ~~telecommunications services, including purchasing reauthorization numbers, by~~

1 ~~paying in advance and by using an access number and authorization code, except~~
2 ~~sales that are subject to subd. 5. b.~~

3 **SECTION 136.** 77.52 (2) (a) 5. am. of the statutes is created to read:

4 77.52 (2) (a) 5. am. The sale of intrastate, interstate, and international
5 telecommunications services, except interstate 800 services.

6 **SECTION 137.** 77.52 (2) (a) 5. b. of the statutes is repealed.

7 **SECTION 138.** 77.52 (2) (a) 5. c. of the statutes is created to read:

8 77.52 (2) (a) 5. c. The sale of ancillary services, except detailed
9 telecommunications billing services.

10 **SECTION 139.** 77.52 (2) (a) 5m. of the statutes is amended to read:

11 77.52 (2) (a) 5m. The sale of services that consist of recording
12 telecommunications messages and transmitting them to the purchaser of the service
13 or at that purchaser's direction, but not including those services if they are merely
14 an that are taxable under subd. 5. or services that are incidental, as defined in s.
15 77.51 (5), element of to another service that is not taxable under this subchapter and
16 sold to that the purchaser of the incidental service and is not taxable under this
17 subchapter.

18 **SECTION 140.** 77.52 (2) (a) 10. of the statutes is amended to read:

19 77.52 (2) (a) 10. Except for services provided by veterinarians and except for
20 installing or applying tangible personal property that, subject to par. (ag), when
21 installed or applied, will constitute an addition or capital improvement of real
22 property, the repair, service, alteration, fitting, cleaning, painting, coating, towing,
23 inspection, and maintenance of all items of tangible personal property or items or
24 property under sub. (1) (b) or (c), unless, at the time of that repair, service, alteration,
25 fitting, cleaning, painting, coating, towing, inspection, or maintenance, a sale in this

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

16 **SECTION 141.** 77.52 (2) (a) 11. of the statutes, as affected by 2007 Wisconsin Act
17 20, is amended to read:

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

25 **SECTION 142.** 77.52 (2) (a) 13m. of the statutes is created to read:

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

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

10 77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part
 11 of the charge for the service may be deemed a sale or rental of tangible personal
 12 property *or* items or property under sub. (1) (b) or (c) if the property *or* items *or works*
 13 transferred by the service provider is are incidental to the selling, performing or
 14 furnishing of the service, except as provided in par. (b).

15 **SECTION 144.** 77.52 (2m) (b) of the statutes is amended to read:

16 77.52 (2m) (b) With respect to the services subject to tax under sub. (2) (a) 7.,
 17 10., 11. and 20., all property *or* items or property under sub. (1) (b) or (c) physically
 18 transferred, or transferred electronically, to the customer in conjunction with the
 19 selling, performing or furnishing of the service is a sale of tangible personal property
 20 *or* items or property under sub. (1) (b) or (c) separate from the selling, performing or
 21 furnishing of the service.

22 **SECTION 145.** 77.52 (2n) of the statutes is repealed and recreated to read:

23 77.52 (2n) The selling, licensing, performing, or furnishing of the services
 24 described under sub. (2) (a) at retail in this state, as determined under s. 77.522, is

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1 subject to the tax imposed under sub. (2) unless an exemption in this subchapter
2 applies.

3 SECTION 146. 77.52 (3m) of the statutes is repealed.

4 SECTION 147. 77.52 (3n) of the statutes is repealed.

5 SECTION 148. 77.52 (4) of the statutes is amended to read:

6 77.52 (4) It is unlawful for any retailer to advertise or hold out or state to the
7 public or to any customer, directly or indirectly, that the tax or any part thereof will
8 be assumed or absorbed by the retailer or that it will not be added to the selling price
9 of the property or items or property under sub. (1) (b) or (c) sold or that if added it,
10 or any part thereof, will be refunded. Any person who violates this subsection is
11 guilty of a misdemeanor.

12 SECTION 149. 77.52 (6) of the statutes is repealed.

13 SECTION 150. 77.52 (7) of the statutes is amended to read:

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

1 eligible later for the exemption under s. 77.54 (7m) except for its possession of a
2 seller's permit, it may surrender that permit.

3 **SECTION 151.** 77.52 (7b) of the statutes is created to read:

4 77.52 (7b) Any person who may register under sub. (7) may designate an agent,
5 as defined in s. 77.524 (1) (ag), to register with the department under sub. (7), in the
6 manner prescribed by the department.

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

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

16 The department may revoke the permit of a person found not to be actively operating
17 as a seller of tangible personal property, items or property under sub. (1) (b) or (c),
18 or taxable services.

19 **SECTION 153.** 77.52 (13) of the statutes is amended to read:

20 77.52 (13) For the purpose of the proper administration of this section and to
21 prevent evasion of the sales tax it shall be presumed that all receipts are subject to
22 the tax until the contrary is established. The burden of proving that a sale of tangible
23 personal property, items or property under sub. (1) (b) or (c), or services is not a
24 taxable sale at retail is upon the person who makes the sale unless that person takes
25 from the purchaser ~~a~~ an electronic or a paper certificate, in a manner prescribed by

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

12 **SECTION 154.** 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are
13 consolidated, renumbered 77.52 (14) (a) and amended to read:

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

16 1. ~~The certificate is taken in good faith~~ the seller obtains a fully completed exemption
17 certificate, or the information required to prove the exemption, from a person who
18 is engaged as a seller of tangible personal property or taxable services and who holds
19 the permit provided for in sub. (9) and who, at the time of purchasing purchaser no
20 later than 90 days after the date of the sale of the tangible personal property, items

21 or property under sub. (1) (b) or (c), or services, intends to sell it in the regular course
22 of operations or is unable to ascertain at the time of purchase whether the property
23 or service will be sold or will be used for some other purpose. (b) except as provided
24 in par. (am). The certificate under sub. (13) shall not relieve the seller of the tax
25 otherwise applicable if the seller fraudulently fails to collect sales tax, solicits the

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

12 **SECTION 155.** 77.52 (14) (a) 2. of the statutes is repealed.

13 **SECTION 156.** 77.52 (14) (am) of the statutes is created to read:

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

20 **SECTION 157.** 77.52 (15) of the statutes is amended to read:

21 77.52 (15) If a purchaser who ~~gives a resale certificate~~ purchases tangible
 22 personal property, items or property under sub. (1) (b) or (c), or taxable services
 23 without paying a sales tax or use tax on such purchase because such property, items,
 24 or services were for resale makes any use of the property, items, or services other than
 25 retention, demonstration or display while holding it the property, items, or services

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1 for sale, lease or rental in the regular course of the purchaser's operations, the use
2 shall be taxable to the purchaser under s. 77.53 as of the time that the property is,
3 items, or services are first used by the purchaser, and the sales purchase price of the
4 property, items, or services to the purchaser shall be the measure of the tax. ~~Only~~
5 ~~when there is an unsatisfied use tax liability on this basis because the seller has~~
6 ~~provided incorrect information about that transaction to the department shall the~~
7 ~~seller be liable for sales tax with respect to the sale of the property to the purchaser.~~

8 **SECTION 158.** 77.52 (16) of the statutes is amended to read:

9 77.52 (16) Any person who gives a resale certificate for property, items or
10 property under sub. (1) (b) or (c), or services which that person knows at the time of
11 purchase is not to be resold by that person in the regular course of that person's
12 operations as a seller for the purpose of evading payment to the seller of the amount
13 of the tax applicable to the transaction is guilty of a misdemeanor. Any person
14 certifying to the seller that the sale of property, items or property under sub. (1) (b)
15 or (c), or taxable service is exempt, knowing at the time of purchase that it is not
16 exempt, for the purpose of evading payment to the seller of the amount of the tax
17 applicable to the transaction, is guilty of a misdemeanor. *, digital audiovisual works*

18 **SECTION 159.** 77.52 (17m) (b) 6. of the statutes is amended to read:

19 77.52 (17m) (b) 6. The applicant purchases enough tangible personal property
20 or items or property under sub. (1) (b) or (c) under circumstances that make it
21 difficult to determine whether the property or items will be subject to a tax under this
22 subchapter. *, or works*

23 **SECTION 160.** 77.52 (19) of the statutes is amended to read:

24 77.52 (19) The department shall by rule provide for the efficient collection of
25 the taxes imposed by this subchapter on sales of property, items or property under

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1 sub. (1) (b) or (c), or services by persons not regularly engaged in selling at retail in
2 this state or not having a permanent place of business, but who are temporarily
3 engaged in selling from trucks, portable roadside stands, concessions at fairs and
4 carnivals, and the like. The department may authorize such persons to sell property
5 or items or property under sub. (1) (b) or (c) or sell, perform, or furnish services on
6 a permit or nonpermit basis as the department by rule prescribes and failure of any
7 person to comply with such rules constitutes a misdemeanor.

8 **SECTION 161.** 77.52 (20) of the statutes is created to read:

9 77.52 (20) (a) Except as provided in par. (b), the entire sales price of a bundled
10 transaction is subject to the tax imposed under this subchapter.

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

19 **SECTION 162.** 77.52 (21) of the statutes is created to read:

20 77.52 (21) A person who provides a product that is not a distinct and
21 identifiable product because it is provided free of charge, as provided in s. 77.51 (3pf)
22 (b), is the consumer of that product and shall pay the tax imposed under this
23 subchapter on the purchase price of that product.

24 **SECTION 163.** 77.52 (22) of the statutes is created to read:

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

5 **SECTION 164.** 77.52 (23) of the statutes is created to read:

6 77.52 (23) With regard to transactions described in s. 77.51 (1f) (c), the service
7 provider is the consumer of the service that is essential to the use or receipt of the
8 other service and shall pay the tax imposed under this subchapter on the purchase
9 price of the service that is essential to the use or receipt of the other service.

10 **SECTION 165.** 77.522 of the statutes is created to read:

11 **77.522 Sourcing. (1) GENERAL.** (a) In this section:

12 1. “Receive” means taking possession of tangible personal property or items or
13 property under s. 77.52 (1) (b) or (c); making first use of services; or taking possession
14 or making first use of digital goods, whichever comes first. “Receive” does not include
15 a shipping company taking possession of tangible personal property or items or
16 property under s. 77.52 (1) (b) or (c) on a purchaser’s behalf.

17 2. “Transportation equipment” means any of the following:

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

20 b. Trucks and truck tractors that have a gross vehicle weight rating of 10,001
21 pounds or greater, trailers, semitrailers, and passenger buses, if such vehicles are
22 registered under the international registration plan under s. 341.405 and operated
23 under the authority of a carrier that is authorized by the federal government to carry
24 persons or property in interstate commerce.

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

4 d. Containers that are designed for use on the vehicles described in subd. 2. a.
5 to c. and component parts attached to or secured on such vehicles.

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

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

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

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

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

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

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

4 b. If the item sold is a digital good, or computer software delivered
5 electronically, the sale occurs at the location from which the digital good or computer
6 software was first available for transmission by the seller. INSERT 59-6

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

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

21 **(2) LEASE OR RENTAL.** (a) Except as provided in pars. (b) and (c), with regard
22 to the first or only payment on the lease or rental, the lease or rental of tangible
23 personal property or items or property under s. 77.52 (1) (b) or (c) occurs at the
24 location determined under sub. (1) (b). If the property or item is moved from the place
25 where the property or item was initially delivered, the subsequent periodic payments

1 on the lease or rental occur at the property's or item's primary location as indicated
2 by an address for the property or item that is provided by the lessee and that is
3 available to the lessor in records that the lessor maintains in the ordinary course of
4 the lessor's business, if the use of such an address does not constitute bad faith. The
5 location of a lease or rental as determined under this paragraph shall not be altered
6 by any intermittent use of the property or item at different locations.

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

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

18 (d) A license of tangible personal property or items or property under s. 77.52
19 (1) (b) or (c) shall be treated as a lease or rental of tangible personal property under
20 this subsection. *, or digital audiovisual works*

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

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

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

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

6 4. "Customer" means a person who enters into a contract with a seller of
7 telecommunications services or, in any transaction for which the end user is not the
8 person who entered into a contract with the seller of telecommunications services,
9 the end user of the telecommunications services. "Customer" does not include a
10 person who resells telecommunications services or, for mobile telecommunications
11 services, a serving carrier under an agreement to serve a customer outside the home
12 service provider's licensed service area.

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

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

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

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

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

24 10. "Postpaid calling service" means a telecommunications service that is
25 obtained by paying for it on a call-by-call basis using a bankcard, travel card, credit

1 card, debit card, or similar method, or by charging it to a telephone number that is
2 not associated with the location where the telecommunications service originates or
3 terminates. "Postpaid calling service" includes a telecommunications service, not
4 including a prepaid wireless calling service, that would otherwise be a prepaid
5 calling service except that the service provided to the customer is not exclusively a
6 telecommunications service.

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

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

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

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

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

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

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

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

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

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

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

23 4. If the segments are not charged separately, the sale of a private
24 communication service for segments of a communications channel that is located in
25 more than one taxing jurisdiction for sales and use tax purposes occurs in each such

1 jurisdiction in a percentage determined by dividing the number of customer channel
2 termination points in that jurisdiction by the number of customer channel
3 termination points in all jurisdictions where segments of the communications
4 channel are located.

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

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

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

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

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

19 **SECTION 166.** 77.523 (title) of the statutes is repealed.

20 **SECTION 167.** 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended
21 to read:

22 77.59 (9p) (a) If a customer purchases a service that is subject to 4 USC 116
23 to 126, as amended by P.L. 106-252, and if the customer believes that the amount
24 of the tax assessed for the service under this subchapter or the place of primary use
25 or taxing jurisdiction assigned to the service is erroneous, the customer may request

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

19 **SECTION 168.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

20 **SECTION 169.** 77.524 (1) (ag) of the statutes is created to read:

21 77.524 (1) (ag) "Agent" means a person appointed by a seller to represent the
22 seller before the states that are signatories to the agreement, as defined in s. 77.65
23 (2) (a).

24 **SECTION 170.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g) and
25 amended to read:

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

6 **SECTION 171.** 77.525 of the statutes is amended to read:

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

15 **SECTION 172.** 77.53 (1) of the statutes is amended to read:

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

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1 **SECTION 173.** 77.53 (1b) of the statutes is repealed and recreated to read:

2 77.53 (1b) The storage, use, or other consumption in this state of tangible
3 personal property ^g or items or property under s. 77.52 (1) (b) or (c), and the use or other
4 consumption in this state of a taxable service, purchased from any retailer is subject
5 to the tax imposed in this section unless an exemption in this subchapter applies.

6 **SECTION 174.** 77.53 (2) of the statutes is amended to read:

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

17 **SECTION 175.** 77.53 (3) of the statutes is amended to read:

18 77.53 (3) Every retailer engaged in business in this state and making sales of
19 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or taxable
20 services for delivery into this state ~~or with knowledge directly or indirectly that the~~
21 ~~property or service is intended for storage, use or other consumption in that are~~
22 sourced to this state under s. 77.522, shall, at the time of making the sales ~~or, if the~~
23 ~~storage, use or other consumption of the tangible personal property or taxable service~~
24 ~~is not then taxable under this section, at the time the storage, use or other~~

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consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a receipt in the manner and form prescribed by the department.

SECTION 176. 77.53 (4) of the statutes is repealed.

SECTION 177. 77.53 (9) of the statutes is amended to read:

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

SECTION 178. 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and amended to read:

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

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

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

4 **SECTION 180.** 77.53 (9m) (c) of the statutes is created to read:

5 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise
6 required to collect any tax imposed by this subchapter shall not be used as a factor
7 in determining whether the seller has nexus with this state for any tax at any time.

8 **SECTION 181.** 77.53 (10) of the statutes is amended to read:

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

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SECTION 181

1 (15), (17), (20n), (21), (22b), (31), (32), (35), (36), (37), (42), (44), (45), (46), (51), and
2 (52).

3 SECTION 182. 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and
4 amended to read:

5 77.53 (11) (a) The certificate referred to in under sub. (10) relieves the person
6 selling the property, items or property under s. 77.52 (1) (b) or (c), or service from the
7 burden of proof of the tax otherwise applicable only if taken in good faith the seller
8 obtains a fully completed exemption certificate, or the information required to prove
9 the exemption, from a person who is engaged as a seller of tangible personal property
10 or taxable services and who holds the permit provided for by s. 77.52 (9) and who, at
11 the time of purchasing the purchaser no later than 90 days after the date of the sale
12 of the tangible personal property, items or property under s. 77.52 (1) (b) or (c), or
13 taxable service, intends to sell it in the regular course of operations or is unable to
14 ascertain at the time of purchase whether the property or service will be sold or will
15 be used for some other purpose, or if taken in good faith from a person claiming
16 exemption, except as provided in par. (b). The certificate under sub. (10) shall not
17 relieve the seller of the tax otherwise applicable if the seller fraudulently fails to
18 collect sales tax or solicits the purchaser to claim an unlawful exemption, or accepts
19 an exemption certificate from a purchaser who claims to be an entity that is not
20 subject to the taxes imposed under this subchapter, if the subject of the transaction
21 sought to be covered by the exemption certificate is received by the purchaser at a
22 location operated by the seller in this state and the exemption certificate clearly and
23 affirmatively indicates that the claimed exemption is not available in this state. The
24 certificate shall be signed by and bear the name and address of provide information
25 that identifies the purchaser and shall indicate the number of the permit issued to

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

5 **SECTION 183.** 77.53 (11) (b) of the statutes is created to read:

6 77.53 (11) (b) If the seller has not obtained a fully completed exemption
7 certificate or the information required to prove the exemption, as provided in par. (a),
8 the seller may, no later than 120 days after the department requests that the seller
9 substantiate the exemption, either provide proof of the exemption to the department
10 by other means or obtain, in good faith, a fully completed exemption certificate from
11 the purchaser.

12 **SECTION 184.** 77.53 (12) of the statutes is amended to read:

13 77.53 (12) If a purchaser who gives a certificate makes any storage or use of
14 the property, items or property under s. 77.52 (1) (b) or (c), or service other than
15 retention, demonstration, or display while holding it for sale in the regular course
16 of operations as a seller, the storage or use is taxable as of the time the property, items
17 or property under s. 77.52 (1) (b) or (c), or service is first so stored or used.

18 **SECTION 185.** 77.53 (14) of the statutes is amended to read:

19 77.53 (14) It is presumed that tangible personal property, items or property
20 under s. 77.52 (1) (b) or (c), or taxable services shipped or brought to this state by the
21 purchaser were purchased from or serviced by a retailer.

22 **SECTION 186.** 77.53 (15) of the statutes is amended to read:

23 77.53 (15) It is presumed that tangible personal property, items or property
24 under s. 77.52 (1) (b) or (c), or taxable services delivered outside this state to -
25 ~~purchaser known by the retailer to be a resident of this state were purchased from~~

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1 a retailer for storage, use, or other consumption in this state and stored, used, or
2 otherwise consumed in this state. ~~This presumption may be controverted by a~~
3 ~~written statement, signed by the purchaser or an authorized representative, and~~
4 ~~retained by the seller that the property or service was purchased for use at a~~
5 ~~designated point outside this state.~~ This presumption may also be controverted by
6 other evidence satisfactory to the department that the property, item, or service was
7 not purchased for storage, use, or other consumption in this state.

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

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

23 SECTION 188. 77.53 (17) of the statutes is amended to read:

24 77.53 (17) This section does not apply to tangible personal property or items
25 or property under s. 77.52 (1) (b) or (c) purchased outside this state, as determined

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1 under s. 77.522, other than motor vehicles, boats, snowmobiles, recreational
2 vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles and
3 airplanes registered or titled or required to be registered or titled in this state, which
4 is brought into this state by a nondomiciliary for the person's own storage, use or
5 other consumption while temporarily within this state when such property ^{or work} ~~or item~~
6 is not stored, used or otherwise consumed in this state in the conduct of a trade,
7 occupation, business or profession or in the performance of personal services for
8 wages or fees.

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

10 77.53 (17m) This section does not apply to a boat purchased in a state
11 contiguous to this state, as determined under s. 77.522, by a person domiciled in that
12 state if the boat is berthed in this state's boundary waters adjacent to the state of the
13 domicile of the purchaser and if the transaction was an exempt occasional sale under
14 the laws of the state in which the purchase was made.

15 **SECTION 190.** 77.53 (17r) (a) of the statutes is amended to read:

16 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

17 **SECTION 191.** 77.53 (18) of the statutes is amended to read:

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

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1 **SECTION 192.** 77.54 (1) of the statutes is amended to read:

2 77.54 (1) The ~~gross receipts~~ sales price from the sale of and the storage, use or
3 other consumption in this state of tangible personal property, items and property
4 under s. 77.52 (1) (b) and (c) and services the ~~gross receipts~~ sales price from the sale
5 of which, or the storage, use or other consumption of which, this state is prohibited
6 from taxing under the constitution or laws of the United States or under the
7 constitution of this state.

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

9 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or
10 other consumption of tangible personal property becoming an ingredient or
11 component part of an article of tangible personal property or which is consumed or
12 destroyed or loses its identity in the manufacture of tangible personal property in
13 any form destined for sale, except as provided in sub. (30) (a) 6.

14 **SECTION 194.** 77.54 (2m) of the statutes is amended to read:

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

24 **SECTION 195.** 77.54 (3) (a) of the statutes is amended to read:

1 77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use,
2 or other consumption of tractors and machines, including accessories, attachments,
3 and parts, lubricants, nonpowered equipment, and other tangible personal property
4 that are used exclusively and directly, or are consumed or lose their identities, in the
5 business of farming, including dairy farming, agriculture, horticulture, floriculture,
6 silviculture, and custom farming services, but excluding automobiles, trucks, and
7 other motor vehicles for highway use; excluding personal property that is attached
8 to, fastened to, connected to, or built into real property or that becomes an addition
9 to, component of, or capital improvement of real property; and excluding tangible
10 personal property used or consumed in the erection of buildings or in the alteration,
11 repair, or improvement of real property, regardless of any contribution that that
12 personal property makes to the production process in that building or real property
13 and regardless of the extent to which that personal property functions as a machine,
14 except as provided in par. (c). and digital audiovisual works

15 **SECTION 196.** 77.54 (3m) (intro.) of the statutes is amended to read:

16 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the
17 storage, use or other consumption of the following items if they are used exclusively
18 by the purchaser or user in the business of farming; including dairy farming,
19 agriculture, horticulture, floriculture, silviculture, and custom farming services:

20 **SECTION 197.** 77.54 (4) of the statutes is amended to read:

21 77.54 (4) ~~Gross receipts~~ The sales price from the sale of tangible personal
22 property and items and property under s. 77.52 (1) (b) and (c) and the storage, use
23 or other consumption in this state of tangible personal property and items and
24 property under s. 77.52 (1) (b) and (c) which is the subject of any such sale, by any

1 elementary school or secondary school, exempted as such from payment of income or
2 franchise tax under ch. 71, whether public or private.

3 **SECTION 198.** 77.54 (5) (intro.) of the statutes is amended to read:

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

6 **SECTION 199.** 77.54 (6) (intro.) of the statutes is amended to read:

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

9 **SECTION 200.** 77.54 (7m) of the statutes is amended to read:

10 77.54 (7m) Occasional sales of tangible personal property, items or property
11 under s. 77.52 (1) (b) and (c), or services, including admissions or tickets to an event;
12 by a neighborhood association, church, civic group, garden club, social club or similar
13 nonprofit organization; not involving entertainment for which payment in the
14 aggregate exceeds \$500 for performing or as reimbursement of expenses unless
15 access to the event may be obtained without payment of a direct or indirect admission
16 fee; conducted by the organization if the organization is not engaged in a trade or
17 business and is not required to have a seller's permit. For purposes of this
18 subsection, an organization is engaged in a trade or business and is required to have
19 a seller's permit if its sales of tangible personal property, items and property under
20 s. 77.52 (1) (b) and (c), and services, not including sales of tickets to events, and its
21 events occur on more than 20 days during the year, unless its receipts do not exceed
22 \$25,000 during the year. The exemption under this subsection does not apply to ~~gross~~
23 ~~receipts~~ the sales price from the sale of bingo supplies to players or to the sale, rental
24 or use of regular bingo cards, extra regular cards and special bingo cards.

25 **SECTION 201.** 77.54 (8) of the statutes is amended to read:

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1 77.54 (8) Charges for ~~interest, financing or insurance,~~ not including contracts
2 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the
3 invoice given by the seller to the purchaser.

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

5 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
6 public and private elementary and secondary school activities, where the entire net
7 proceeds therefrom are expended for educational, religious or charitable purposes.

8 **SECTION 203.** 77.54 (9a) (intro.) of the statutes is amended to read:

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

12 **SECTION 204.** 77.54 (10) of the statutes is amended to read:

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

17 **SECTION 205.** 77.54 (11) of the statutes is amended to read:

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

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

24 77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use
25 or other consumption in this state of rail freight or passenger cars, locomotives or

1 other rolling stock used in railroad operations, or accessories, attachments, parts,
2 lubricants or fuel therefor.

3 **SECTION 207.** 77.54 (13) of the statutes is amended to read:

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

8 **SECTION 208.** 77.54 (14) (intro.) of the statutes is amended to read:

9 77.54 (14) (intro.) The ~~gross receipts~~ sales price from the sales of and the
10 storage, use, or other consumption in this state of ~~medicines~~ drugs that are any of
11 the following:

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

13 77.54 (14) (a) Prescribed for the treatment of a human being by a person
14 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by
15 a registered pharmacist in accordance with law.

16 **SECTION 210.** 77.54 (14) (b) of the statutes is amended to read:

17 77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist
18 to a patient who is a human being for treatment of the patient.

19 **SECTION 211.** 77.54 (14) (f) (intro.) of the statutes is amended to read:

20 77.54 (14) (f) (intro.) Furnished without charge to any of the following if the
21 ~~medicine~~ drug may not be dispensed without a prescription:

22 **SECTION 212.** 77.54 (14g) of the statutes is repealed.

23 **SECTION 213.** 77.54 (14s) of the statutes is repealed.

24 **SECTION 214.** 77.54 (15) of the statutes is amended to read:

1 77.54 (15) The ~~gross receipts~~ sales price from the sale of and the storage, use
2 or other consumption of all newspapers, of periodicals sold by subscription and
3 regularly issued at average intervals not exceeding 3 months, or issued at average
4 intervals not exceeding 6 months by an educational association or corporation sales
5 to which are exempt under sub. (9a) (f), of controlled circulation publications sold to
6 commercial publishers for distribution without charge or mainly without charge or
7 regularly distributed by or on behalf of publishers without charge or mainly without
8 charge to the recipient and of shoppers guides which distribute no less than 48 issues
9 in a 12-month period. In this subsection, "shoppers guide" means a community
10 publication delivered, or attempted to be delivered, to most of the households in its
11 coverage area without a required subscription fee, which advertises a broad range
12 of products and services offered by several types of businesses and individuals. In
13 this subsection, "controlled circulation publication" means a publication that has at
14 least 24 pages, is issued at regular intervals not exceeding 3 months, that devotes
15 not more than 75% of its pages to advertising and that is not conducted as an
16 auxiliary to, and essentially for the advancement of, the main business or calling of
17 the person that owns and controls it.

18 **SECTION 215.** 77.54 (16) of the statutes is amended to read:

19 77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use
20 or other consumption of fire trucks and fire fighting equipment, including
21 accessories, attachments, parts and supplies therefor, sold to volunteer fire
22 departments.

23 **SECTION 216.** 77.54 (17) of the statutes is amended to read:

and digital audiovisual works

1 77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use
2 or other consumption of water, that is not food and food ingredient, when delivered
3 through mains.

4 **SECTION 217.** 77.54 (18) of the statutes is amended to read: *license*

5 77.54 (18) When the sale, lease, or rental of a service or property, including
6 items and property under s. 77.52 (1) (b) and (c), that was previously exempt or not
7 taxable under this subchapter becomes taxable, and the service or property is
8 furnished under a written contract by which the seller is unconditionally obligated
9 to provide the service or property for the amount fixed under the contract, the seller
10 is exempt from sales or use tax on the ~~gross receipts~~ sales price for services or
11 property provided until the contract is terminated, extended, renewed or modified.
12 However, from the time the service or property becomes taxable until the contract
13 is terminated, extended, renewed or modified the user is subject to use tax, measured
14 by the sales purchase price, on the service or property purchased under the contract.

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

16 **SECTION 219.** 77.54 (20m) of the statutes is repealed.

17 **SECTION 220.** 77.54 (20n) of the statutes is created to read:

18 77.54 (20n) (a) The sales price from the sale of and the storage, use, or other
19 consumption of food and food ingredients, except candy, soft drinks, dietary
20 supplements, and prepared food.

21 (b) The sales price from the sale of and the storage, use, or other consumption
22 of food and food ingredients, except soft drinks, sold by hospitals, sanatoriums,
23 nursing homes, retirement homes, community-based residential facilities, as
24 defined in s. 50.01 (1g), or day care centers registered under ch. 48, including
25 prepared food that is sold to the elderly or handicapped by persons providing mobile

1 meals on wheels. In this paragraph, "retirement home" means a nonprofit
2 residential facility where 3 or more unrelated adults or their spouses have their
3 principal residence and where support services, including meals from a common
4 kitchen, are available to residents.

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

9 1. An undergraduate student, a graduate student, or a student enrolled in a
10 professional school if the student is enrolled for credit at the public or private
11 institution of higher education and if the food and food ingredients are consumed by
12 the student:

13 2. A national football league team.

14 **SECTION 221.** 77.54 (20r) of the statutes is created to read:

15 77.54 (20r) The sales price from the sales of and the storage, use, or other
16 consumption of candy, soft drinks, dietary supplements, and prepared foods, and
17 disposable products that are transferred with such items, furnished for no
18 consideration by a restaurant to the restaurant's employee during the employee's
19 work hours.

20 **SECTION 222.** 77.54 (21) of the statutes is amended to read:

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

23 **SECTION 223.** 77.54 (22) of the statutes is repealed.

24 **SECTION 224.** 77.54 (22b) of the statutes is created to read:

1 77.54 (22b) The sales price from the sale of and the storage, use, or other
2 consumption of durable medical equipment that is for use in a person's home,
3 mobility-enhancing equipment, and prosthetic devices, and accessories for such
4 equipment or devices, if the equipment or devices are used for a human being.

5 **SECTION 225.** 77.54 (23m) of the statutes is amended to read:

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

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

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

19 **SECTION 227.** 77.54 (25m) of the statutes, as created by 2007 Wisconsin Act 20,
20 is amended to read:

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

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

1 77.54 (26) The ~~gross receipts~~ sales price from the sales of and the storage, use,
2 or other consumption of tangible personal property and items and property under s.
3 77.52 (1) (b) and (c) which becomes a component part of an industrial waste
4 treatment facility that is exempt under s. 70.11 (21) or that would be exempt under
5 s. 70.11 (21) if the property were taxable under ch. 70, or tangible personal property
6 and items and property under s. 77.52 (1) (b) and (c) which becomes a component part
7 of a waste treatment facility of this state or any agency thereof, or any political
8 subdivision of the state or agency thereof as provided in s. 40.02 (28). The exemption
9 includes replacement parts therefor, and also applies to chemicals and supplies used
10 or consumed in operating a waste treatment facility and to purchases of tangible
11 personal property and items and property under s. 77.52 (1) (b) and (c) made by
12 construction contractors who transfer such property to their customers in fulfillment
13 of a real property construction activity. This exemption does not apply to tangible
14 personal property and items and property under s. 77.52 (1) (b) and (c) installed in
15 fulfillment of a written construction contract entered into, or a formal written bid
16 made, prior to July 31, 1975.

17 **SECTION 229.** 77.54 (26m) of the statutes is amended to read:

18 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use
19 or other consumption of waste reduction or recycling machinery and equipment,
20 including parts therefor, exclusively and directly used for waste reduction or
21 recycling activities which reduce the amount of solid waste generated, reuse solid
22 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
23 The exemption applies even though an economically useful end product results from
24 the use of the machinery and equipment. For the purposes of this subsection, “solid
25 waste” means garbage, refuse, sludge or other materials or articles, whether these

1 materials or articles are discarded or purchased, including solid, semisolid, liquid or
2 contained gaseous materials or articles resulting from industrial, commercial,
3 mining or agricultural operations or from domestic use or from public service
4 activities.

5 **SECTION 230.** 77.54 (27) of the statutes is amended to read:

6 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for
7 artificial insemination of livestock.

8 **SECTION 231.** 77.54 (28) of the statutes is amended to read:

9 77.54 (28) The ~~gross receipts~~ sales price from the sale of and the storage, use
10 or other consumption to or by the ultimate consumer of ~~apparatus or equipment for~~
11 ~~the injection of insulin or the treatment of diabetes and~~ supplies used to determine
12 blood sugar level.

13 **SECTION 232.** 77.54 (29) of the statutes is amended to read:

14 77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use
15 or other consumption of equipment used in the production of maple syrup.

16 **SECTION 233.** 77.54 (30) (a) (intro.) of the statutes is amended to read:

17 77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

18 **SECTION 234.** 77.54 (30) (c) of the statutes is amended to read:

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

24 **SECTION 235.** 77.54 (31) of the statutes is amended to read:

1 77.54 (31) The ~~gross receipts~~ sales price from the sale of and the storage, use
2 or other consumption in this state, but not the lease or rental, of used mobile homes,
3 as defined in s. 101.91 (10), and used manufactured homes, as defined in s. 101.91
4 (12).

5 **SECTION 236.** 77.54 (32) of the statutes is amended to read:

6 77.54 (32) The ~~gross receipts~~ sales price from charges, including charges for a
7 search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record
8 that a person may examine and use under s. 16.61 (12) or for copies of a record under
9 s. 19.35 (1).

10 **SECTION 237.** 77.54 (33) of the statutes is amended to read:

11 77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or
12 other consumption of ~~medicines~~ drugs used on farm livestock, not including
13 workstock.

14 **SECTION 238.** 77.54 (35) of the statutes is amended to read:

15 77.54 (35) The ~~gross receipts~~ sales price from the sales of tangible personal
16 property, items or property under s. 77.52 (1) (b) or (c), tickets or admissions by any
17 baseball team affiliated with the Wisconsin Department of American Legion
18 baseball.

19 **SECTION 239.** 77.54 (36) of the statutes is amended to read:

20 77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period
21 of one month or more of a mobile home, as defined in s. 101.91 (10), or a manufactured
22 home, as defined in s. 101.91 (2), that is used as a residence. In this subsection, "one
23 month" means a calendar month or 30 days, whichever is less, counting the first day
24 of the rental and not counting the last day of the rental.

25 **SECTION 240.** 77.54 (37) of the statutes is amended to read:

digital audiovisual works

1 77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.
2 256.35 (3) and the surcharge established by rule by the public service commission
3 under s. 256.35 (3m) (f) for customers of wireless providers, as defined in s. 256.35
4 (3m) (a) 6.

5 **SECTION 241.** 77.54 (38) of the statutes is amended to read:

6 77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use
7 or other consumption of snowmobile trail groomers and attachments for them that
8 are purchased, stored, used or consumed by a snowmobile club that meets at least
9 3 times a year, that has at least 10 members, that promotes snowmobiling and that
10 participates in the department of natural resources' snowmobile program under s.
11 350.12 (4) (b).

12 **SECTION 242.** 77.54 (39) of the statutes is amended to read:

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

20 **SECTION 243.** 77.54 (40) of the statutes is repealed.

21 **SECTION 244.** 77.54 (41) of the statutes is amended to read:

22 77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,
23 supplies and equipment to; and the storage, use or other consumption of those kinds
24 of property by; owners, contractors, subcontractors or builders if that property is

1 acquired solely for or used solely in, the construction, renovation or development of
2 property that would be exempt under s. 70.11 (36).

3 **SECTION 245.** 77.54 (42) of the statutes is amended to read:

4 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use
5 or other consumption of animal identification tags provided under s. 93.06 (1h) and
6 standard samples provided under s. 93.06 (1s).

7 **SECTION 246.** 77.54 (43) of the statutes is amended to read:

8 77.54 (43) The ~~gross receipts~~ sales price from the sale of and the storage, use
9 or other consumption of raw materials used for the processing, fabricating or
10 manufacturing of, or the attaching to or incorporating into, printed materials that
11 are transported and used solely outside this state.

12 **SECTION 247.** 77.54 (44) of the statutes is amended to read:

13 77.54 (44) The ~~gross receipts~~ sales price from the collection of low-income
14 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

15 **SECTION 248.** 77.54 (45) of the statutes is amended to read:

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

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

1 77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,
2 or other consumption of the U.S. flag or the state flag. This subsection does not apply
3 to a representation of the U.S. flag or the state flag.

4 **SECTION 250.** 77.54 (46m) of the statutes is amended to read:

5 77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
6 or other consumption of telecommunications services, if the telecommunications
7 services are obtained by using the rights to purchase telecommunications services,
8 including purchasing reauthorization numbers, by paying in advance and by using
9 an access number and authorization code; and if the tax imposed under s. 77.52 or
10 77.53 was previously paid on the sale or purchase of such rights.

11 **SECTION 251.** 77.54 (47) (intro.) of the statutes is amended to read:

12 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
13 use, or other consumption of all of the following:

14 **SECTION 252.** 77.54 (47) (b) 1. of the statutes is amended to read:

15 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
16 s. 77.52 on its ~~gross receipts~~ the sales price from charges for shooting at the facility.

17 **SECTION 253.** 77.54 (47) (b) 2. of the statutes is amended to read:

18 77.54 (47) (b) 2. The shooting facility is a nonprofit organization that charges
19 for shooting at the facility, but is not required to pay the tax imposed under s. 77.52
20 on its ~~gross receipts~~ sales price from such charges because the charges are for
21 occasional sales, as provided under sub. (7m), or because the charges satisfy the
22 exemption under s. 77.52 (2) (a) 2. b.

23 **SECTION 254.** 77.54 (48) (a) of the statutes is renumbered 77.585 (9) (a) and
24 amended to read:

1 77.585 (9) (a) Subject to 2005 Wisconsin Act 479, section 17, ~~the gross receipts~~
2 ~~from the sale of and the storage, use, or other consumption~~ a purchaser may claim
3 as a deduction that portion of its purchase price of Internet equipment used in the
4 broadband market for which the tax was imposed under this subchapter, if the
5 purchaser certifies to the department of commerce, in the manner prescribed by the
6 department of commerce, that the purchaser will, within 24 months after July 1,
7 2007, make an investment that is reasonably calculated to increase broadband
8 Internet availability in this state. The purchaser shall claim the deduction in the
9 same reporting period as the purchaser paid the tax imposed under this subchapter.

10 **SECTION 255.** 77.54 (48) (b) of the statutes is renumbered 77.585 (9) (b).

11 **SECTION 256.** 77.54 (49) of the statutes is amended to read: *or digital audiovisual*

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

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