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1 **SECTION 257.** 77.54 (51) of the statutes is created to read:

2 77.54 (51) The sales price from the sales of and the storage, use, or other
3 consumption of products sold in a transaction that would be a bundled transaction,
4 except that it contains taxable and nontaxable products as described in s. 77.51 (1f)
5 (d), and except that the first person combining the products shall pay the tax imposed
6 under this subchapter on the person's purchase price of the taxable items.

7 **SECTION 258.** 77.54 (52) of the statutes is created to read:

8 77.54 (52) The sales price from the sales of and the storage, use, or other
9 consumption of products sold in a transaction that would be a bundled transaction,
10 except that the transaction meets the conditions described in s. 77.51 (1f) (e).

11 **SECTION 259.** 77.54 (54) of the statutes is amended to read:

12 77.54 (54) The ~~gross receipts~~ sales price from the sale of and the storage, use,
13 or other consumption of tangible personal property, items and property under s.
14 77.52 (1) (b) and (c), and taxable services that are sold by a home exchange service
15 that receives moneys from the appropriation account under s. 20.485 (1) (g) and is
16 operated by the department of veterans affairs.

17 **SECTION 260.** 77.54 (56) of the statutes, as created by 2007 Wisconsin Act 20,
18 is amended to read:

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

1 (b) Except for the sale of electricity or energy that is exempt from taxation
2 under sub. (30), the ~~gross receipts~~ sales price from the sale of and the storage, use,
3 or other consumption of electricity or energy produced by a product described under
4 par. (a).

5 **SECTION 261.** 77.55 (1) (intro.) of the statutes is amended to read:

6 77.55 (1) (intro.) There are is exempted from the computation of the amount
7 of the sales tax the ~~gross receipts~~ sales price from the sale of any tangible personal
8 property, ~~items or property under s. 77.52 (1) (b) or (c),~~ or services to:

9 **SECTION 262.** 77.55 (2) of the statutes is amended to read:

10 77.55 (2) There are is exempted from the computation of the amount of the sales
11 tax the ~~gross receipts~~ sales price from sales of tangible personal property, and items
12 and property under s. 77.52 (1) (b) and (c), to a common or contract carrier, shipped
13 by the seller via the purchasing carrier under a bill of lading whether the freight is
14 paid in advance, or the shipment is made freight charges collect, to a point outside
15 this state and the property or item is actually transported to the out-of-state
16 destination for use by the carrier in the conduct of its business as a carrier.

17 **SECTION 263.** 77.55 (2m) of the statutes is amended to read:

18 77.55 (2m) There are is exempted from the computation of the amount of sales
19 tax the ~~gross receipts~~ sales price from sales of railroad crossties to a common or
20 contract carrier, shipped wholly or in part by way of the purchasing carrier under a
21 bill of lading, whether the freight is paid in advance or the shipment is made freight
22 charges collect, to a point outside this state if the property is transported to the
23 out-of-state destination for use by the carrier in the conduct of its business as a
24 carrier. Interruption of the shipment for storage, drying, processing or creosoting of

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1 the railroad crossties in this state does not invalidate the exemption under this
2 subsection.

3 **SECTION 264.** 77.55 (3) of the statutes is amended to read:

4 77.55 (3) There ~~are~~ is exempted from the computation of the amount of the sales
5 tax the ~~gross receipts~~ sales price from sales of tangible personal property, and items
6 and property under s. 77.52 (1) (b) and (c), purchased for use solely outside this state
7 and delivered to a forwarding agent, export packer, or other person engaged in the
8 business of preparing goods for export or arranging for their exportation, and
9 actually delivered to a port outside the continental limits of the United States prior
10 to making any use thereof.

11 **SECTION 265.** 77.56 (1) of the statutes is amended to read:

12 77.56 (1) The storage, use or other consumption in this state of property,
13 including items and property under s. 77.52 (1) (b) and (c), the ~~gross receipts~~ sales
14 price from the sale of which ~~are~~ is reported to the department in the measure of the
15 sales tax, is exempted from the use tax.

16 **SECTION 266.** 77.57 of the statutes is amended to read:

17 **77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller
18 that the property or items or property under s. 77.52 (1) (b) or (c) purchased will be
19 used in a manner or for a purpose entitling the seller to regard the ~~gross receipts~~ sales
20 price from the sale as exempted by this subchapter from the computation of the
21 amount of the sales tax and uses the property or items or property under s. 77.52 (1)
22 (b) or (c) in some other manner or for some other purpose, the purchaser is liable for
23 payment of the sales tax. The tax shall be measured by the sales price of the property
24 or items or property under s. 77.52 (1) (b) or (c) to the purchaser, but if the taxable
25 use first occurs more than 6 months after the sale to the purchaser, the purchaser

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1 may use as the measure of the tax either that sales price or the fair market value of
2 the property at the time the taxable use first occurs.

3 **SECTION 267.** 77.58 (3) (a) of the statutes is amended to read:

4 77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller.

5 For purposes of the use tax a return shall be filed by every retailer engaged in
6 business in this state and by every person purchasing tangible personal property,

7 items or property under s. 77.52 (1) (b) or (c), or services, the storage, use, or other
8 consumption of which is subject to the use tax, who has not paid the use tax due to

9 a retailer required to collect the tax. If a qualified subchapter S subsidiary is not
10 regarded as a separate entity under ch. 71, the owner of that subsidiary shall include

11 the information for that subsidiary on the owner's return. Returns shall be signed
12 by the person required to file the return or by a duly authorized agent but need not

13 be verified by oath. If a single-owner entity is disregarded as a separate entity under
14 ch. 71, the owner shall include the information from the entity on the owner's return.

15 **SECTION 268.** 77.58 (3) (b) of the statutes is amended to read:

16 ~~77.58 (3) (b) For purposes of the sales tax the return shall show the gross~~
17 ~~receipts of the seller during the preceding reporting period. For purposes of the use~~

18 ~~tax, in case of a return filed by a retailer, the return shall show the total sales price~~
19 ~~of the property or taxable services sold, the storage, use or consumption of which~~

20 ~~became subject to the use tax during the preceding reporting period. In case of a sales~~
21 ~~or use tax return filed by a purchaser, the return shall show the total sales price of~~

22 ~~the property and taxable services purchased, the storage, use or consumption of~~
23 ~~which became subject to the use tax during the preceding reporting period. The~~

24 return shall also show the amount of the taxes for the period covered by the return

1 and such other information as the department deems necessary for the proper
2 administration of this subchapter.

3 **SECTION 269.** 77.58 (6) of the statutes is amended to read:

4 77.58 (6) For the purposes of the sales tax ~~gross receipts~~, the sales price from
5 rentals or leases of tangible personal property ^{of} ~~or items or property~~ under s. 77.52 (1)
6 (b) or (c) shall be reported and the tax paid in accordance with such rules as the
7 department prescribes. or digital audiovisual works

8 **SECTION 270.** 77.58 (6m) of the statutes is created to read:

9 77.58 (6m) (a) The department may, in cases where it is satisfied that an undue
10 hardship would otherwise result, permit the reporting of a sales price or purchase
11 price on some basis other than the accrual basis.

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

16 **SECTION 271.** 77.58 (9a) of the statutes is created to read:

17 77.58 (9a) In addition to filing a return as provided in this section, a person
18 described under s. 77.524 (3), (4), or (5) shall provide to the department any
19 information that the department considers necessary for the administration of this
20 subchapter, in the manner prescribed by the department, except that the
21 department may not require that the person provide such information to the
22 department more than once every 180 days.

23 **SECTION 272.** 77.585 of the statutes is created to read:

24 **77.585 Return adjustments.** (1) (a) In this subsection, "bad debt" means the
25 portion of the sales price or purchase price that the seller has reported as taxable

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

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

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

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1 (d) A seller may obtain a refund of the tax collected on any bad debt amount
2 deducted under par. (b) that exceeds the amount of the seller's taxable sales as
3 provided under s. 77.59 (4), except that the period for making a claim as determined
4 under s. 77.59 (4) begins on the date on which the return on which the bad debt could
5 be claimed would have been required to be submitted to the department under s.
6 77.58.

7 (e) If a seller is using a certified service provider, the certified service provider
8 may claim a bad debt deduction under this subsection on the seller's behalf if the
9 seller has not claimed and will not claim the same deduction. A certified service
10 provider who receives a bad debt deduction under this subsection shall credit that
11 deduction to the seller and a certified service provider who receives a refund under
12 this subsection shall submit that refund to the seller.

13 (f) If a bad debt relates to the retail sales of tangible personal property, items
14 or property under s. 77.52 (1) (b) or (c), or taxable services that occurred in this state
15 and in one or more other states, as determined under s. 77.522, the total amount of
16 such bad debt shall be apportioned among the states in which the underlying sales
17 occurred in a manner prescribed by the department to arrive at the amount of the
18 deduction under par. (b). *digital audiovisual works,*

19 (2) If a lessor of tangible personal property or items or property under s. 77.52
20 (1) (b) or (c) has reimbursed the vendor for the sales tax on the sale of the property
21 or items by the vendor to the lessor, the tax due from the lessor on the rental receipts
22 may be offset by a credit equal to the tax otherwise due on the rental receipts from
23 the property or items for the reporting period. The credit shall expire when the
24 cumulative rental receipts equal the sales price upon which the vendor paid sales
25 taxes to this state. *, or digital audiovisual works*

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1 (3) If a purchaser of tangible personal property *or* items or property under s.
2 77.52 (1) (b) or (c) has reimbursed the vendor of the property *or* items for the sales
3 tax on the sale and subsequently, before making any use of the property *or* items
4 other than retention, demonstration, or display while holding it for sale or rental,
5 makes a taxable sale of the property *or* items, the tax due on the taxable sale may
6 be offset by the tax reimbursed. *or works,*

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

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

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

24 (7) For sales tax purposes, if a retailer establishes to the department's
25 satisfaction that the sales tax has been added to the total amount of the sales price

1 and has not been absorbed by the retailer, the total amount of the sales price shall
2 be the amount received exclusive of the sales tax imposed.

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

9 SECTION 273. 77.59 (2m) of the statutes is created to read:

10 77.59 (2m) The department may audit, or may authorize others to audit, sellers
11 and certified service providers who are registered with the department pursuant to
12 the agreement, as defined in s. 77.65 (2) (a).

13 SECTION 274. 77.59 (5m) of the statutes is amended to read:

14 77.59 (5m) A seller who receives a refund under sub. (4) (a) or (b) of taxes that
15 the seller has collected from buyers, who collects amounts as taxes erroneously from
16 buyers, but who does not remit such amounts to the state, or who is entitled to a
17 refund under sub. (4) (a) or (b) that is offset under sub. (5), shall submit the taxes and
18 related interest to the buyers from whom the taxes were collected, or to the
19 department if the seller cannot locate the buyers, within 90 days after the date of the
20 refund, after the date of the offset, or after discovering that the seller has collected
21 taxes erroneously from the buyers. If the seller does not submit the taxes and related
22 interest to the department or the buyers within that period, the seller shall submit
23 to the department any part of a refund or taxes that the seller does not submit to a
24 buyer or to the department along with a penalty of 25% of the amount not submitted
25 or, in the case of fraud, a penalty equal to the amount not submitted. A person who

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1 collects amounts as taxes erroneously from buyers for a real property construction
2 activity or nontaxable service may reduce the taxes and interest that he or she is
3 required to submit to the buyer or to the department under this subsection for that
4 activity or service by the amount of tax and interest subsequently due and paid on
5 the sale of or the storage, use, or other consumption of tangible personal property or
6 items or property under s. 77.52 (1) (b) or (c) that is are used by the person in that
7 activity or service and transferred to the buyer. *digital audiovisual works,*

8 **SECTION 275.** 77.59 (9) of the statutes is amended to read:

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

23 **SECTION 276.** 77.59 (9n) of the statutes is created to read:

24 77.59 (9n) (a) Notwithstanding s. 73.03 (47), *no seller or certified service*
25 provider is liable for tax, interest, or penalties imposed on a transaction under this

and except as provided in par. (b),

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1 subchapter in the circumstances covered under sections 306, 328, and 502 of the
2 agreement, as defined in s. 77.65 (2) (a).

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

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6 SECTION 277. 77.59 (9p) (b) of the statutes is created to read:

7 77.59 (9p) (b) If a customer purchases a service that is not subject to 4 USC 116
8 to 126, as amended by P.L. 106-252, tangible personal property, or items or property
9 under s. 77.52 (1) (b) or (c), and if the customer believes that the amount of the tax
10 assessed for the sale of the service, property, or items, under this subchapter is
11 erroneous, the customer may request that the seller correct the alleged error by
12 sending a written notice to the seller. The notice shall include a description of the
13 alleged error and any other information that the seller reasonably requires to process
14 the request. Within 60 days from the date that a seller receives a request under this
15 paragraph, the seller shall review its records to determine the validity of the
16 customer's claim. If the review indicates that there is no error as alleged, the seller
17 shall explain the findings of the review in writing to the customer. If the review
18 indicates that there is an error as alleged, the seller shall correct the error and shall
19 refund the amount of any tax collected erroneously, along with the related interest,
20 as a result of the error from the customer, consistent with s. 77.59 (4). A customer
21 may take no other action against the seller, or commence any action against the
22 seller, to correct an alleged error in the amount of the tax assessed under this
23 subchapter on a service that is not subject to 4 USC 116 to 126, as amended by P.L.
24 106-252, tangible personal property, or items or property under s. 77.52 (1) (b) or (c)
25 unless the customer has exhausted his or her remedies under this paragraph.

1 **SECTION 278.** 77.59 (9r) of the statutes is created to read:

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

8 **SECTION 279.** 77.60 (13) of the statutes is created to read:

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

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

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

17 (c) An exemption certificate claiming direct mail.

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

19 **77.61 (1) (b)** In the case of ~~a motor vehicle~~ motor vehicles, boats, snowmobiles,
20 recreational vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain
21 vehicles, or aircraft purchased from a ~~licensed Wisconsin motor vehicle dealer~~
22 retailer, the registrant shall present proof that the tax has been paid to such ~~dealer~~
23 retailer.

24 **SECTION 281.** 77.61 (1) (c) of the statutes is amended to read:

1 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, recreational
2 vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles, or
3 aircraft registered or titled, or required to be registered or titled, in this state
4 purchased from persons who are not ~~Wisconsin boat, trailer, or semitrailer dealers,~~
5 ~~licensed Wisconsin aircraft, motor vehicle, or recreational vehicle, as defined in s.~~
6 ~~340.01 (48r), dealers or registered Wisconsin snowmobile or all-terrain vehicle~~
7 ~~dealers~~ retailers, the purchaser shall file a sales tax return and pay the tax prior to
8 registering or titling the motor vehicle, boat, snowmobile, recreational vehicle, as
9 defined in s. 340.01 (48r), semitrailer, all-terrain vehicle, or aircraft in this state.

10 **SECTION 282.** 77.61 (2) of the statutes is renumbered 77.61 (2) (intro.) and
11 amended to read:

12 77.61 (2) (intro.) In order to protect the revenue of the state:

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

1 this subsection shall be returned to the taxpayer if the taxpayer has, for 24
2 consecutive months, complied with all the requirements of this subchapter.

3 **SECTION 283.** 77.61 (2) (b) of the statutes is created to read:

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

19 **SECTION 284.** 77.61 (3) of the statutes is repealed.

20 **SECTION 285.** 77.61 (3m) of the statutes is created to read:

21 77.61 (3m) A retailer shall use a straight mathematical computation to
22 determine the amount of the tax that the retailer may collect from the retailer's
23 customers. The retailer shall calculate the tax amount by combining the applicable
24 tax rates under this subchapter and subch. V and multiplying the combined tax rate
25 by the sales price or purchase price of each item or invoice, as appropriate. The

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1 retailer shall calculate the tax amount to the 3rd decimal place, disregard tax
2 amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less
3 than 1 cent to be an additional cent. The use of a straight mathematical computation,
4 as provided in this subsection, shall not relieve the retailer from liability for payment
5 of the full amount of the tax levied under this subchapter.

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

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

17 **SECTION 287.** 77.61 (4) (c) of the statutes is amended to read:

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

1 retailer's discount under this paragraph, the taxes on retail sales reported by
2 retailers under subch. V, including taxes collected and remitted as required under
3 s. 77.785, shall be included if the payment of those taxes is not delinquent.

4 **SECTION 288.** 77.61 (5m) of the statutes is created to read:

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

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

14 (c) A certified service provider may collect, use, and retain personally
15 identifiable information only to verify exemption claims, to document the correct
16 assignment of taxing jurisdictions, to investigate fraud, and to ensure its system's
17 reliability.

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

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

24 (f) The state shall not retain personally identifiable information obtained for
25 purposes of administering this subchapter unless the state is otherwise required to

1 retain the information by law or as provided under the agreement, as defined in s.
2 77.65 (2) (a).

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

6 (h) If any person, other than another state that is a signatory to the agreement,
7 as defined in s. 77.65 (2) (a), or a person authorized under state law to access the
8 information, requests access to an individual's personally identifiable information,
9 the state shall make a reasonable and timely effort to notify the individual of the
10 request.

11 **SECTION 289.** 77.61 (11) of the statutes is amended to read:

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

21 **SECTION 290.** 77.61 (16) of the statutes is created to read:

22 77.61 (16) Any person who remits taxes and files returns under this subchapter
23 may designate an agent, as defined in s. 77.524 (1) (ag), to remit such taxes and file
24 such returns with the department in a manner prescribed by the department.

25 **SECTION 291.** 77.61 (17) of the statutes is created to read:

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

7 **SECTION 292.** 77.61 (18) of the statutes is created to read:

8 77.61 (18) The department shall notify sellers with respect to any change in
9 the rate of the taxes imposed under this subchapter at least 30 days prior to the
10 change's effective date and any such change shall take effect on January 1, April 1,
11 July 1, or October 1.

12 **SECTION 293.** 77.63 of the statutes is repealed and recreated to read:

13 **77.63 Collection compensation.** The following persons may retain a portion
14 of sales and use taxes collected on retail sales under this subchapter and subch. V
15 in an amount determined by the department and by contracts that the department
16 enters into jointly with other states as a member state of the streamlined sales tax
17 governing board pursuant to the agreement, as defined in s. 77.65 (2) (a):

- 18 (1) A certified service provider.
- 19 (2) A seller that uses a certified automated system, as defined in s. 77.524 (1)

20 (am). *digital audiovisual works,*

- 21 (3) A seller that sells tangible personal property, items or property under s.
- 22 77.52 (1) (b) or (c), or taxable services in at least 5 states that are signatories to the
- 23 agreement, as defined in s. 77.65 (2) (a); that has total annual sales revenue of at
- 24 least \$500,000,000; that has a proprietary system that calculates the amount of tax
- 25 owed to each taxing jurisdiction in which the seller sells tangible personal property,

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1 items or property under s. 77.52 (1) (b) or (c), or taxable services; and that has entered
2 into a performance agreement with the states that are signatories to the agreement,
3 as defined in s. 77.65 (2) (a). For purposes of this subsection, "seller" includes an
4 affiliated group of sellers using the same proprietary system to calculate the amount
5 of tax owed in each taxing jurisdiction in which the sellers sell tangible personal
6 property, items or property under s. 77.52 (1) (b) or (c), or taxable services.

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

8 77.65 (2) (a) "Agreement" means the streamlined sales and use tax agreement,
9 including amendments to the agreement.

10 **SECTION 295.** 77.65 (2) (c) of the statutes is repealed.

11 **SECTION 296.** 77.65 (2) (e) of the statutes is amended to read:

12 77.65 (2) (e) "Seller" means any person who sells, leases, or rents tangible
13 personal property, items or property under s. 77.52 (1) (b) or (c), or services.

14 **SECTION 297.** 77.65 (2) (f) of the statutes is amended to read:

15 77.65 (2) (f) "State" means any state of the United States and, the District of
16 Columbia, and the Commonwealth of Puerto Rico.

17 **SECTION 298.** 77.65 (4) (fm) of the statutes is created to read:

18 77.65 (4) (fm) Provide that a seller who registers with the central electronic
19 registration system under par. (f) may cancel the registration at any time, as
20 provided under uniform procedures adopted by the governing board of the states that
21 are signatories to the agreement, but is required to remit any Wisconsin taxes
22 collected pursuant to the agreement to the department.

23 **SECTION 299.** 77.66 of the statutes is amended to read:

24 **77.66 Certification for collection of sales and use tax.** The secretary of
25 revenue shall determine and periodically certify to the secretary of administration

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1 the names of persons, and affiliates, as defined in s. 16.70 (1b), of persons, who make
2 sales of tangible personal property, items or property under s. 77.52 (1) (b) and (c),
3 and taxable services that are subject to the taxes imposed under this subchapter but
4 who are not registered to collect and remit such taxes to the department or, if
5 registered, do not collect and remit such taxes.

6 SECTION 300. 77.67 of the statutes is created to read:

7 **77.67 Amnesty for new registrants. (1)** A seller is not liable for uncollected
8 and unpaid taxes, including penalties and interest, imposed under this subchapter
9 and subch. V on sales made to purchasers in this state before the seller registers
10 under par. (a), if all of the following apply:

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

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

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

22 (d) The seller has not received a notice of the commencement of an audit from
23 the department or, if the seller has received a notice of the commencement of an audit
24 from the department, the audit has been fully resolved, including any related

1 administrative and judicial processes, at the time that the seller registers under par.

2 (a).

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

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

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

10 **SECTION 301.** 77.70 of the statutes is amended to read:

11 **77.70 Adoption by county ordinance.** Any county desiring to impose county
12 sales and use taxes under this subchapter may do so by the adoption of an ordinance,
13 stating its purpose and referring to this subchapter. The county sales and use taxes
14 may be imposed only for the purpose of directly reducing the property tax levy and
15 only in their entirety as provided in this subchapter. That ordinance shall be
16 effective on the first day of January, the first day of April, the first day of July or the
17 first day of October. A certified copy of that ordinance shall be delivered to the
18 secretary of revenue at least 120 days prior to its effective date. The repeal of any
19 such ordinance shall be effective on December 31. A certified copy of a repeal
20 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before
21 the effective date of the repeal.

22 **SECTION 302.** 77.705 of the statutes is amended to read:

23 **77.705 Adoption by resolution; baseball park district.** A local
24 professional baseball park district created under subch. III of ch. 229, by resolution
25 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at

1 a rate of no more than 0.1% of the ~~gross receipts or sales price~~ or purchase price.
2 Those taxes may be imposed only in their entirety. The resolution shall be effective
3 on the ~~first day of the first month~~ January 1, April 1, July 1, or October 1 that begins
4 at least ~~30~~ 120 days after the adoption of the resolution. Any moneys transferred
5 from the appropriation account under s. 20.566 (1) (gd) to the appropriation account
6 under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt.

7 **SECTION 303.** 77.706 of the statutes is amended to read:

8 **77.706 Adoption by resolution; football stadium district.** A local
9 professional football stadium district created under subch. IV of ch. 229, by
10 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
11 subchapter at a rate of 0.5% of the ~~gross receipts or sales price~~ or purchase price.
12 Those taxes may be imposed only in their entirety. The imposition of the taxes under
13 this section shall be effective on the ~~first day of the first month~~ January 1, April 1,
14 July 1, or October 1 that begins at least ~~30~~ 120 days after the certification of the
15 approval of the resolution by the electors in the district's jurisdiction under s. 229.824
16 (15). Any moneys transferred from the appropriation account under s. 20.566 (1) (ge)
17 to the appropriation account under s. 20.835 (4) (ge) shall be used exclusively to retire
18 the district's debt.

19 **SECTION 304.** 77.707 (1) of the statutes is amended to read:

20 **77.707 (1)** Retailers and the department of revenue may not collect a tax under
21 s. 77.705 for any local professional baseball park district created under subch. III of
22 ch. 229 after the last day of the calendar quarter during that is at least 120 days from
23 the date on which the local professional baseball park district board makes a
24 certification to the department of revenue under s. 229.685 (2), except that the
25 department of revenue may collect from retailers taxes that accrued before the day

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

3 **SECTION 305.** 77.707 (2) of the statutes is amended to read:

4 77.707 (2) Retailers and the department of revenue may not collect a tax under
5 s. 77.706 for any local professional football stadium district created under subch. IV
6 of ch. 229 after the last day of the calendar quarter during that is at least 120 days
7 from the date on which the local professional football stadium district board makes
8 all of the certifications to the department of revenue under s. 229.825 (3), except that
9 the department of revenue may collect from retailers taxes that accrued before the
10 day after the last day of that calendar quarter and fees, interest and penalties that
11 relate to those taxes.

12 **SECTION 306.** 77.71 (1) of the statutes is amended to read:

13 77.71 (1) For the privilege of selling, licensing, leasing or renting tangible
14 personal property, and the property and items specified under s. 77.52 (1) (b) and (c),
15 and for the privilege of selling, licensing, performing or furnishing services a sales
16 tax is imposed upon retailers at the rate of 0.5% in the case of a county tax or at the
17 rate under s. 77.705 or 77.706 in the case of a special district tax of the gross receipts
18 sales price from the sale, licensing, lease or rental of tangible personal property, and
19 the property and items specified under s. 77.52 (1) (b) and (c), except property taxed
20 under sub. (4), sold, licensed, leased or rented at retail in the county or special district
21 or from selling, licensing, performing or furnishing services described under s. 77.52
22 (2) in the county or special district.

23 **SECTION 307.** 77.71 (2) of the statutes is amended to read:

24 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax
25 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales

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1 purchase price upon every person storing, using or otherwise consuming in the
 2 county or special district tangible personal property, property and items specified
 3 under s. 77.52 (1) (b) and (c), or services if the property, item, or service is subject to *work*
 4 the state use tax under s. 77.53, except that a receipt indicating that the tax under
 5 sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax under this
 6 subsection and except that if the buyer has paid a similar local tax in another state
 7 on a purchase of the same property, item, or services that tax shall be credited against *work*
 8 the tax under this subsection and except that for motor vehicles that are used for a
 9 purpose in addition to retention, demonstration or display while held for sale in the
 10 regular course of business by a dealer the tax under this subsection is imposed not
 11 on the sales purchase price but on the amount under s. 77.53 (1m).

SECTION 308. 77.71 (3) of the statutes is amended to read:

12
 13 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
 14 activities within the county or special district, at the rate of 0.5% in the case of a
 15 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
 16 of the sales purchase price of tangible personal property that is used in constructing,
 17 altering, repairing or improving real property and that ~~becomes~~ *are* a component part
 18 of real property in that county or special district, except that if the contractor has
 19 paid the sales tax of a county in the case of a county tax or of a special district in the
 20 case of a special district tax in this state on that property, or has paid a similar local
 21 sales tax in another state on a purchase of the same *work* property, that tax shall be
 22 credited against the tax under this subsection. *work*

SECTION 309. 77.71 (4) of the statutes is amended to read:

23
 24 77.71 (4) An excise tax is imposed at the rate of 0.5 percent in the case of a
 25 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax

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1 of the sales purchase price upon every person storing, using or otherwise consuming
 2 a motor vehicle, boat, ~~snowmobile~~, recreational vehicle, as defined in s. 340.01 (48r),
 3 trailer, ~~semitrailer~~, ~~all-terrain vehicle~~ or aircraft, if that property must be registered
 4 or titled with this state and if that property is to be customarily kept in a county that
 5 has in effect an ordinance under s. 77.70 or in a special district that has in effect a
 6 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local
 7 sales tax in another state on a purchase of the same property that tax shall be
 8 credited against the tax under this subsection.

9 SECTION 310. 77.72 (title) of the statutes is repealed.

10 SECTION 311. 77.72 (1) of the statutes is renumbered 77.72 and amended to
 11 read:

12 **77.72 General rule for property.** For the purposes of this subchapter, all
 13 retail sales of tangible personal property ~~are completed at the time when, and the~~
 14 ~~place where, the seller or the seller's agent transfers possession to the buyer or the~~
 15 ~~buyer's agent. In this subsection, a common carrier or the U.S. postal service is the~~
 16 ~~agent of the seller, regardless of any f.o.b. point and regardless of the method by~~
 17 ~~which freight or postage is paid. Rentals and leases of property, except property~~
 18 ~~under sub. (2), have a situs at the location of that property, and property and items~~
 19 specified under s. 77.52 (1) (b) and (c), and taxable services occur as provided in s.
 20 77.522. *digital audiovisual works,*

21 SECTION 312. 77.72 (2) and (3) of the statutes are repealed.

22 SECTION 313. 77.73 (2) of the statutes is amended to read:

23 77.73 (2) Counties and special districts do not have jurisdiction to impose the
 24 tax under s. 77.71 (2) in regard to items and property under s. 77.52 (1) (b) and (c)
 25 and tangible personal property, except snowmobiles, trailers, semitrailers, and

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1 all-terrain vehicles, purchased in a sale that is consummated in another county or
2 special district in this state that does not have in effect an ordinance or resolution
3 imposing the taxes under this subchapter and later brought by the buyer into the
4 county or special district that has imposed a tax under s. 77.71 (2).

5 **SECTION 314.** 77.73 (3) of the statutes is created to read:

6 77.73 (3) Counties and special districts have jurisdiction to impose the taxes
7 under this subchapter on retailers who file an application under s. 77.52 (7) or who
8 register under s. 77.53 (9) or (9m), regardless of whether such retailers are engaged
9 in business in the county or special district, as provided in s. 77.51 (13g). A retailer
10 who files an application under s. 77.52 (7) or who registers under s. 77.53 (9) or (9m)
11 shall collect, report, and remit to the department the taxes imposed under this
12 subchapter for all counties and special districts that have an ordinance or resolution
13 imposing the taxes under this subchapter.

14 **SECTION 315.** 77.75 of the statutes is amended to read:

15 **77.75 Reports.** Every person subject to county or special district sales and use
16 taxes shall, for each reporting period, record that person's sales made in the county
17 or special district that has imposed those taxes separately from sales made
18 elsewhere in this state and file a report of the measure of the county or special district
19 sales and use taxes and the tax due thereon separately as prescribed by the
20 department of revenue.

21 **SECTION 316.** 77.77 (1) of the statutes is renumbered 77.77 (1) (a) and amended
22 to read:

23 77.77 (1) (a) The ~~gross receipts~~ sales price from services subject to the tax under
24 s. 77.52 (2) are ~~not~~ or the lease, rental, or license of tangible personal property, and
25 property and items specified under s. 77.52 (1) (b) and (c), is subject to the taxes under

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1 this subchapter, and the incremental amount of tax caused by a rate increase
2 applicable to those services, leases, rentals, or licenses is not due, if those services
3 are billed to the customer and paid for before beginning with the first billing period
4 starting on or after the effective date of the county ordinance, special district
5 resolution, or rate increase, regardless of whether the service is furnished or the
6 property or item is leased, rented, or licensed to the customer before or after that
7 date.

8 **SECTION 317.** 77.77 (1) (b) of the statutes is created to read:

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

18 **SECTION 318.** 77.77 (2) of the statutes is repealed.

19 **SECTION 319.** 77.785 (1) of the statutes is amended to read:

20 77.785 (1) All retailers shall collect and report the taxes under this subchapter
21 on the ~~gross receipts~~ sales price from leases and rentals of property or items and
22 property under s. 77.52 (1) (b) and (c) under s. 77.71 (4).

23 **SECTION 320.** 77.785 (2) of the statutes is amended to read:

24 77.785 (2) Prior to registration or titling, a retailer of a boat, all-terrain vehicle,
25 trailer and semi-trailer dealers and licensed aircraft, motor vehicle, manufactured

1 home, as defined in s. 101.91 (2), or recreational vehicle, as defined in s. 340.01 (48r),
2 ~~and snowmobile dealers~~ shall collect the taxes under this subchapter on sales of
3 items under s. 77.71 (4). The ~~dealer~~ retailer shall remit those taxes to the
4 department of revenue along with payments of the taxes under subch. III.

5 **SECTION 321.** 77.98 of the statutes is amended to read:

6 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may
7 impose a tax on the retail sale, except sales for resale, within the district's
8 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~
9 ~~(e) 1. to 3. and not~~ candy, as defined in s. 77.51 (1fm), prepared food, as defined in s.
10 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the
11 sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) or (20) (e) 5., (20n) (b) and (c),
12 and (20r).

13 **SECTION 322.** 77.981 of the statutes is amended to read:

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

23 **SECTION 323.** 77.982 (2) of the statutes is repealed and recreated to read:

24 77.982 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4),
25 (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2),

1 (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch.
2 III, apply to the tax under this subchapter. Section 77.73, as it applies to the taxes
3 under subch. V, applies to the tax under this subchapter.

4 **SECTION 324.** 77.99 of the statutes is amended to read:

5 **77.99 Imposition.** A local exposition district under subch. II of ch. 229 may
6 impose a tax at the rate of 3% of the ~~gross receipts~~ sales price on the rental, but not
7 for rental and not for rental as a service or repair replacement vehicle, within the
8 district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01
9 (4) (a), by establishments primarily engaged in short-term rental of passenger cars
10 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales
11 tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under
12 s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's
13 authorized board of directors may vote to increase the tax rate under this subchapter
14 to 4%. A resolution to adopt the taxes imposed under this section, or an increase in
15 the tax rate, shall be effective on the first January 1, April 1, July 1, or October 1
16 following the adoption of the resolution or tax increase.

17 **SECTION 325.** 77.991 (2) of the statutes is repealed and recreated to read:

18 77.991 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4),
19 (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2),
20 (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch.
21 III, apply to the tax under this subchapter. Section 77.73, as it applies to the taxes
22 under subch. V, applies to the tax under this subchapter. The renter shall collect the
23 tax under this subchapter from the person to whom the passenger car is rented.

24 **SECTION 326.** 77.994 (1) (intro.) of the statutes is amended to read:

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

8 **SECTION 327.** 77.9941 (4) of the statutes is amended to read:

9 77.9941 (4) Sections 77.72 (1), ~~(2) (a) and (3) (a)~~, 77.73, 77.74, 77.75, 77.76 (1),
10 (2), and (4), 77.77 (1) ~~and (2)~~, 77.785 (1), and 77.79, as they apply to the taxes under
11 subch. V, apply to the tax under this subchapter.

12 **SECTION 328.** 77.995 (2) of the statutes is amended to read:

13 77.995 (2) There is imposed a fee at the rate of 5 percent of the ~~gross receipts~~
14 sales price on the rental, but not for rental and not for rental as a service or repair
15 replacement vehicle of Type 1 automobiles, as defined in s. 340.01 (4) (a); of
16 recreational vehicles, as defined in s. 340.01 (48r); of motor homes, as defined in s.
17 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by establishments
18 primarily engaged in short-term rental of vehicles without drivers, for a period of 30
19 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7)
20 (a), (7m) or (9a). There is also imposed a fee at the rate of 5 percent of the ~~gross~~
21 receipts sales price on the rental of limousines.

22 **SECTION 329.** 77.9951 (2) of the statutes is repealed and recreated to read:

23 77.9951 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),
24 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61
25 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under

1 subch. III, apply to the fee under this subchapter. The renter shall collect the fee
2 under this subchapter from the person to whom the vehicle is rented.

3 **SECTION 330.** 77.996 (6) of the statutes is amended to read:

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

9 **SECTION 331.** 77.9972 (2) of the statutes is repealed and recreated to read:

10 77.9972 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),
11 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61
12 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
13 subch. III, apply to the fee under this subchapter. Section 77.73, as it applies to the
14 taxes under subch. V, applies to the fee under this subchapter. The renter shall
15 collect the fee under this subchapter from the person to whom the passenger car is
16 rented.

17 **SECTION 332.** 86.195 (3) (b) 3. of the statutes is amended to read:

18 86.195 (3) (b) 3. Fifty percent of the ~~gross receipts~~ sales price, as defined in s.
19 77.51 (15b), of the business are is from meal, food, the sale of food product and
20 beverage sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under
21 s. 77.54 (20) (e) subch. III of ch. 77; and

22 **SECTION 333.** 218.0171 (2) (cq) of the statutes is amended to read:

23 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
24 the manufacturer shall provide to the consumer a written statement that specifies
25 the trade-in amount previously applied under s. 77.51 (4) (b) 3. ~~or 3m. or (15) (b) 4.~~

1 ~~or 4m. (12m) (b) 5. or 6. or (15b) (b) 5. or 6.~~ toward the sales price of the motor vehicle
2 having the nonconformity and the date on which the manufacturer provided the
3 refund.

4 **SECTION 334.** 229.68 (15) of the statutes is amended to read:

5 229.68 (15) Impose, by the adoption of a resolution, the taxes under subch. V
6 of ch. 77. A district may not levy any taxes that are not expressly authorized under
7 subch. V of ch. 77 and that do not receive the affirmative vote of a supermajority of
8 the district board. If a district adopts a resolution which imposes taxes, it shall
9 deliver a certified copy of the resolution to the secretary of revenue at least ~~30~~ 120
10 days before its effective date.

11 **SECTION 335.** 229.824 (15) of the statutes is amended to read:

12 229.824 (15) Impose, by the adoption of a resolution, the taxes under subch. V
13 of ch. 77, except that the taxes imposed by the resolution may not take effect until
14 the resolution is approved by a majority of the electors in the district's jurisdiction
15 voting on the resolution at a referendum, to be held at the first spring primary or
16 September primary following by at least 45 days the date of adoption of the
17 resolution. Two questions shall appear on the ballot. The first question shall be:
18 "Shall a sales tax and a use tax be imposed at the rate of 0.5% in County for
19 purposes related to football stadium facilities in the Professional Football
20 Stadium District?" The 2nd question shall be: "Shall excess revenues from the 0.5%
21 sales tax and use tax be permitted to be used for property tax relief purposes in
22 County?" Approval of the first question constitutes approval of the resolution of the
23 district board. Approval of the 2nd question is not effective unless the first question
24 is approved. The clerk of the district shall publish the notices required under s. 10.06
25 (4) (c), (f) and (i) for any referendum held under this subsection. Notwithstanding

1 s. 10.06 (4) (c), the type A notice under s. 10.01 (2) (a) relating to the referendum is
2 valid even if given and published late as long as it is given and published prior to the
3 election as early as practicable. A district may not levy any taxes that are not
4 expressly authorized under subch. V of ch. 77. The district may not levy any taxes
5 until the professional football team and the governing body of the municipality in
6 which the football stadium facilities are located agree on how to fund the
7 maintenance of the football stadium facilities. The district may not levy any taxes
8 until the professional football team and the governing body of the municipality in
9 which the football stadium facilities are located agree on how to distribute the
10 proceeds, if any, from the sale of naming rights related to the football stadium
11 facilities. If a district board adopts a resolution that imposes taxes and the resolution
12 is approved by the electors, the district shall deliver a certified copy of the resolution
13 to the secretary of revenue at least ~~30~~ 120 days before its effective date. If a district
14 board adopts a resolution that imposes taxes and the resolution is not approved by
15 the electors, the district is dissolved.

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

17 (1) MAIN STREET EQUITY ACT. The repeal of sections 46.513, 77.51 (4), 77.51 (14)
18 (d), 77.51 (14) (i), 77.51 (14) (k), 77.51 (14) (L), 77.51 (14r), 77.51 (15), 77.52 (2) (a)
19 5. b., 77.52 (3m), 77.52 (3n), 77.52 (6), 77.52 (14) (a) 2., 77.523 (title), 77.53 (4), 77.54
20 (14g), 77.54 (14s), 77.54 (20), 77.54 (20m), 77.54 (22), 77.54 (40), 77.61 (3), 77.65 (2)
21 (c), 77.72 (title), 77.72 (2) and (3) and 77.77 (2) of the statutes; the renumbering of
22 sections 77.524 (1) (a) and 77.54 (48) (b) of the statutes; the renumbering and
23 amendment of sections 77.51 (1), 77.51 (21m) (by SECTION 119), 77.51 (6m), 77.51 (14)
24 (g), 77.52 (1), 77.523, 77.524 (1) (b), 77.53 (9m), 77.53 (11), 77.54 (48) (a), 77.61 (2),
25 77.72 (1) and 77.77 (1) of the statutes; the consolidation, renumbering, and

1 amendment of section 77.52 (14) (a) (intro.) and 1. and (b) of the statutes; the
2 amendment of sections 66.0615 (1m) (f) 2., 70.111 (23), 71.07 (5e) (b), 71.07 (5e) (c)
3 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
4 (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
5 (9) (am), 77.51 (10), 77.51 (12) (b), 77.51 (13) (a), 77.51 (13) (b), 77.51 (13) (c), 77.51
6 (13) (d), 77.51 (13) (e), 77.51 (13) (f), 77.51 (13) (k), 77.51 (13) (m), 77.51 (13) (n), 77.51
7 (13) (o), 77.51 (13g) (intro.), 77.51 (13g) (a), 77.51 (13g) (b), 77.51 (13r), 77.51 (14)
8 (intro.), 77.51 (14) (a), 77.51 (14) (b), 77.51 (14) (c), 77.51 (14) (h), 77.51 (14) (j), 77.51
9 (14g) (a), 77.51 (14g) (b), 77.51 (14g) (bm), 77.51 (14g) (c), 77.51 (14g) (cm), 77.51 (14g)
10 (d), 77.51 (14g) (e), 77.51 (14g) (em), 77.51 (14g) (f), 77.51 (14g) (g), 77.51 (14g) (h),
11 77.51 (17) (intro.), 77.51 (18), 77.51 (20), 77.51 (21), 77.51 (22) (a), 77.51 (22) (b), 77.52
12 (2) (intro.), 77.52 (2) (a) 5. a. (by SECTION 135), 77.52 (2) (a) 5m., 77.52 (2) (a) 10., 77.52
13 (2) (a) 11., 77.52 (2m) (a), 77.52 (2m) (b), 77.52 (4), 77.52 (7), 77.52 (12), 77.52 (13),
14 77.52 (15), 77.52 (16), 77.52 (17m) (b) 6., 77.52 (19), 77.525, 77.53 (1), 77.53 (2), 77.53
15 (3), 77.53 (9), 77.53 (10), 77.53 (12), 77.53 (14), 77.53 (15), 77.53 (16), 77.53 (17), 77.53
16 (17m), 77.53 (17r) (a), 77.53 (18), 77.54 (1), 77.54 (2), 77.54 (2m), 77.54 (3) (a), 77.54
17 (3m) (intro.), 77.54 (4), 77.54 (5) (intro.), 77.54 (6) (intro.), 77.54 (7m), 77.54 (8), 77.54
18 (9), 77.54 (9a) (intro.), 77.54 (10), 77.54 (11), 77.54 (12), 77.54 (13), 77.54 (14) (intro.),
19 77.54 (14) (a), 77.54 (14) (b), 77.54 (14) (f) (intro.), 77.54 (15), 77.54 (16), 77.54 (17),
20 77.54 (18), 77.54 (21), 77.54 (23m), 77.54 (25), 77.54 (25m), 77.54 (26), 77.54 (26m),
21 77.54 (27), 77.54 (28), 77.54 (29), 77.54 (30) (a) (intro.), 77.54 (30) (c), 77.54 (31), 77.54
22 (32), 77.54 (33), 77.54 (35), 77.54 (36), 77.54 (37), 77.54 (38), 77.54 (39), 77.54 (41),
23 77.54 (42), 77.54 (43), 77.54 (44), 77.54 (45), 77.54 (46), 77.54 (46m), 77.54 (47)
24 (intro.), 77.54 (47) (b) 1., 77.54 (47) (b) 2., 77.54 (49), 77.54 (54), 77.54 (56), 77.55 (1)
25 (intro.), 77.55 (2), 77.55 (2m), 77.55 (3), 77.56 (1), 77.57, 77.58 (3) (a), 77.58 (3) (b),

1 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),
 2 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
 3 (1), 77.707 (2), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4), 77.73 (2), 77.75, 77.785 (1),
 4 77.785 (2), 77.98, 77.981, 77.99, 77.994 (1) (intro.), 77.9941 (4), 77.995 (2), 77.996 (6),
 5 86.195 (3) (b) 3., 218.0171 (2) (cq), 229.68 (15) and 229.824 (15) of the statutes; the
 6 repeal and recreation of sections 77.51 (7), 77.51 (12) (a), 77.51 (17m), 77.52 (1b),
 7 77.52 (2n), 77.53 (1b), 77.63, 77.982 (2), 77.991 (2), 77.9951 (2) and 77.9972 (2) of the
 8 statutes; and the creation of sections 20.566 (1) (ho), 73.03 (28e), 73.03 (50b), 73.03
 9 (61), 77.51 (1b), 77.51 (1ba), 77.51 (1f), 77.51 (1fm), 77.51 (1n), 77.51 (1p), 77.51 (1pd),
 10 77.51 (1r), 77.51 (2k), 77.51 (2m), 77.51 (3c), 77.51 (3n), 77.51 (3pd), 77.51 (3pe), 77.51
 11 (3pf), 77.51 (3pj), 77.51 (3pm), 77.51 (3pn), 77.51 (3po), 77.51 (3rm), 77.51 (3t), 77.51
 12 (5d), 77.51 (5n), 77.51 (5r), 77.51 (7g), 77.51 (7k), 77.51 (7m), 77.51 (8m), 77.51 (9p),
 13 77.51 (9s), 77.51 (10d), 77.51 (10f), 77.51 (10m), 77.51 (10n), 77.51 (10r), 77.51 (10s),
 14 77.51 (11d), 77.51 (11m), 77.51 (12m), 77.51 (12p), 77.51 (13g) (c), 77.51 (13rm), 77.51
 15 (13rn), 77.51 (15a), 77.51 (15b), 77.51 (17w), 77.51 (21n), 77.51 (21p), 77.51 (21q),
 16 77.51 (22) (bm), 77.51 (24), 77.51 (25), 77.51 (26), 77.52 (1) (b), 77.52 (1) (c), 77.52 (2)
 17 (a) 5. am., 77.52 (2) (a) 5. c., 77.52 (2) (a) 13m., 77.52 (7b), 77.52 (14) (am), 77.52 (20),
 18 77.52 (21), 77.52 (22), 77.52 (23), 77.522, 77.524 (1) (ag), 77.53 (9m) (b), 77.53 (9m)
 19 (c), 77.53 (11) (b), 77.54 (20n), 77.54 (20r), 77.54 (22b), 77.54 (51), 77.54 (52), 77.58
 20 (6m), 77.58 (9a), 77.585, 77.59 (2m), 77.59 (9n), 77.59 (9p) (b), 77.59 (9r), 77.60 (13),
 21 77.61 (2) (b), 77.61 (3m), 77.61 (5m), 77.61 (16), 77.61 (17), 77.61 (18), 77.65 (4) (fm),
 22 77.67, 77.73 (3) and 77.77 (1) (b) of the statutes take effect on January 1, 2010.

77.51(3p)

77.52(1)(d)

77.54(50)

77.52(14)(2m)

(bm)

Insert 11 - 24

1 **SECTION 1.** 77.51 (3p) of the statutes is created to read:

2 77.51 (3p) "Digital audiovisual works" means a series of related images that,
3 when shown in succession, impart an impression of motion, along with
4 accompanying sounds, if any, and that are transferred electronically. "Digital
5 audiovisual works" includes motion pictures, musical videos, news and
6 entertainment programs, and live events, but does not include video greeting cards
7 or video or electronic games.

Insert 22 - 11

8 ~~no #~~ , except that plates, bowls, glasses, or cups necessary for the purchaser to
9 receive the food need only be made available to the purchaser

Insert 46 - 19

10 **SECTION 2.** 77.52 (1) (d) of the statutes is created to read:

11 77.52 (1) (d) A tax is imposed on all retailers at the rate of 5 percent of the sales
12 price from the sale, license, lease, or rental of digital audiovisual works at retail for
13 the right to use the digital audiovisual works on a permanent or less than permanent
14 basis and regardless of whether the purchaser is required to make continued
15 payments for such right.

Insert 47 - 3

16 ~~no #~~ regardless of whether the consumer or user has the right of permanent use or
17 less than the right of permanent use and regardless of whether the service is
18 conditioned on continued payment from the purchaser,

Insert 54 - 19

1 SECTION 3. 77.52 (14) (bm) of the statutes is created to read:

2 77.52 (14) (bm) A certified service provider is relieved from liability for the tax
3 otherwise applicable to the same extent as the seller, who is the certified service
4 provider's client, is relieved from liability for the tax otherwise applicable under par.
5 (a) or (am).

Insert 59 - 6

6 ~~not~~, not including any location that merely provided the digital transfer of the
7 product sold

Insert 66 - 21

8 ~~not~~ ; on the storage, use, or other consumption of digital audiovisual works
9 purchased from any retailer, if the purchaser has the right to use the digital
10 audiovisual works on a permanent or less than permanent basis and regardless of
11 whether the purchaser is required to make continued payments for such right, at the
12 rate of 5 percent of the sales price of the digital audiovisual works

Insert 89 - 25

13 SECTION 4. 77.54 (50) of the statutes is created to read:

14 77.54 (50) The sales price from the sale of and the storage, use, or other
15 consumption of digital audiovisual works that are transferred electronically to the
16 purchaser, if the sale of and the storage, use, or other consumption of such works sold
17 in a tangible form are exempt from taxation under this subchapter.

Insert 100 - 2A

no #

1 if the seller or certified service provider charged and collected the incorrect
2 amount of the sales or use tax as a result of relying on erroneous data provided in the
3 databases under s. 73.03 (61) (e) and (f)

Insert 100 - 2B

4 (b) Notwithstanding 73.03 (47), no seller or certified service provider is liable
5 for the tax, interest, or penalties imposed on a transaction under this subchapter if
6 the seller or certified service provider failed to collect the sales and use taxes due on
7 an item or transaction because the seller or certified service provider relied on the
8 certification under s. 73.03 (61) (b). This paragraph does not apply to the seller or
9 certified service provider who has incorrectly classified an item or transaction into
10 a specific product category, unless such classification is approved by the states that
11 are signatories to the agreement, as defined in s. 77.65 (2) (a). If the state determines
12 that it has incorrectly classified an item or transaction, sellers and certified service
13 providers that do not revise the classification of the item or transaction within 10
14 days after receiving notice from the department that an item or transaction was
15 incorrectly classified are liable for the tax, interest, or penalties imposed on the item
16 or transaction for the incorrect classification after the 10-day period.

Insert 100 - 5

no #

17 if the seller or certified service provider from whom the purchaser made the
18 purchase relied on erroneous data provided in the databases under s. 73.03 (61) (e)
19 and (f) or if the purchaser relied on erroneous data provided in the databases under
20 s. 73.03 (61) (e) and (f). With respect to reliance on the database provided under s.
21 73.03 (61) (e), the relief provided under this paragraph is limited to the erroneous
22 classification in the database of terms defined in this subchapter and specifically

1 identified in the database as being “taxable”, “exempt”, “included in sales price” or
2 “excluded from sales price”, or “included in the definition” or “excluded from the
3 definition”

Kreye, Joseph

From: Grosz, Scott
Sent: Tuesday, January 13, 2009 3:55 PM
To: Shovers, Marc; Kreye, Joseph; Karls, Jessica
Subject: FW: lifelong learning accounts - WLC 353/P1 (Bldg Wis Workforce Comm)

From: Gates-Hendrix, Sherrie L - DOR [mailto:Sherrie.GatesHendrix@revenue.wi.gov]
Sent: Tuesday, January 13, 2009 3:35 PM
To: Grosz, Scott
Subject: lifelong learning accounts - WLC 353/P1 (Bldg Wis Workforce Comm)

Hi Scott --

I had our income tax folks review the WLC 353/P1 draft from the website for the Building Wisconsin's Workforce Committee.

Some technical feedback, thoughts for consideration -- if it's helpful:

Bill Summary as Relates to DOR

An employer may obtain approval from the Department of Workforce Development for the establishment of lifetime learning accounts for employees. The employee may claim a subtraction on the Wisconsin income tax return for the employee and employer contribution to the account. The employer must make matching contributions of at least 25% of the amount contributed annually by an employee. The combined employer and employee contributions may not exceed \$5,000 annually.

The account must be used to pay qualified educational expenses. If used for any other purpose, employees under age 70 must include 200% of the amount withdrawn in Wisconsin income. If age 70 or over, the amount of the withdrawal must be included in income if not used to pay qualified educational expenses.

A nonrefundable credit is allowed to the employer equal to 50% of the contributions made. No credit may be claimed on contributions in excess of \$1,000 per employee. The total credit may not exceed \$50,000.

Technical Comments

- This bill only applies to sole proprietorships. It does not apply to employers that are corporations, partnerships or LLCs. This will limit use of the lifelong learning accounts. Is this the intent?
- Sections 1 and 2 – Are these provisions to apply to individuals who are a certain age at the time of the withdrawal or at the end of the taxable year? This should be clarified. For example, “at the time of the withdrawal” could be added so that section 1 would read “70 years of age at the time of the withdrawal...”
- Section 3 – The subtraction should be limited to “the amount contributed during the taxable year...”
- Section 4 –The purpose of this subtraction is unclear. Because for federal tax purposes the individual has paid tax on the amount contributed to the lifelong learning account, it appears that withdrawals from the account would not be included in federal income and thus would not be included in Wisconsin income. Is it the intent to allow the individual a second subtraction? The individual has already claimed a subtraction for the amounts contributed (sec. 71.05(6)(b)47). Is a second subtracted wanted when the amounts are withdrawn from the account? This would provide a double benefit.

In addition, this section does not seem to have any effect. The intro. to sec. 71.05(6)(b) provides for a subtraction to the extent included in federal adjusted gross income. Because the withdrawal is not included in FAGI, the law does not allow a subtraction.

- Section 5 allows the employer to claim a subtraction for the amount contributed to the lifelong learning account. For federal purposes, the amount contributed would have been claimed as a deduction for wages.

The federal amount of wages would then carry over to the Wisconsin return. To allow a subtraction for the amount contributed would mean that the employer is allowed a double deduction for Wisconsin, once as wages and again as a subtraction for the amount contributed to the lifelong learning account.

- Section 6 allows a credit to the employer for 50% of the employer contributions under s. 106.115. Paragraph (b) should limit the contributions to the "claimant's lifelong learning account contributions paid during the taxable year under s. 106.115."

Paragraph (c)2 should clarify that the credit may not exceed \$50,000 per taxable year.

- A computation order must be provided in sec. 71.10(4). Because this is a nonrefundable credit that does not offset alternative minimum tax, it should be located before sec. 71.10(4)(f).
- Section 106.115(1)(h) provides that qualified education expenses includes "the transfer of money from a participating employee's account to the participating employee's account established under the plan of another participating employer." It should be specified that the transfer must either be a trustee to trustee transfer or, if the funds are paid directly to the employee, the employee must transfer them to the new account within a certain period of time, for example, 30 or 60 days.
- Section 106.115(1)(h) provides that "qualified education expenses" does not include expenses for any course or other education involving sports, games, or hobbies. What is a sport, game, or hobby for one person may be a required course for another. For example, one person may take an art course for hobby reasons but for another person it may be a required course leading to a degree in art education. Clarification is needed.
- The lifelong learning account is owned by the participating employee. Assuming the account earns interest, such interest would be taxable to the employee. Is this the intent or is a subtraction wanted for interest earned each year on the account?
- Section 106.115(6) provides that a participating employee may withdraw the participating employee's contribution to the account at any time for any purpose. Is it the intent to restrict withdrawals to only the employee's contribution? If yes, when could the employer's contribution be withdrawn?

This section also provides that if an amount is withdrawn for a purpose other than to pay qualified education expenses, the account shall incur a penalty under s. 71.05(6)(a)25. It is not the account that incurs the penalty. This should instead provide that the individual shall incur a penalty under s. 71.06(6)(a)25 if less than 70 years of age at the time of the withdrawal.

- Is it the intent to allow an individual who uses amounts distributed from the lifelong learning account to pay tuition to also claim the subtraction for tuition paid under sec. 71.05(6)(b)28? To allow a subtraction for tuition paid with amounts distributed from a lifelong learning account would be allowing a double deduction, once when amounts are contributed to the account and again when a deduction is claimed for tuition paid. It would appear that sec. 71.05(6)(b)28 should also be amended to provide that the subtraction may not be claimed for tuition paid if the source of the payment is an amount withdrawn from a lifelong learning account under sec. 106.115.

Hope this is helpful.

Sherrie

Sherrie Gates-Hendrix
DOR Legislative Liaison
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2009-11 LRB Draft Review

Date: January 16, 2009

LRB Number: 0377/P4

Reviewed by: Craig Johnson

Brief Description of LRB Draft:

This LRB conforms Wisconsin's laws to the requirements of the Streamlined Sales and Use Tax Agreement.

Comments on Draft:

Additional changes are needed to this draft as described in the attached document.

Changes Needed & Why:

Attached is a document that contains the changes needed to this draft to conform Wisconsin's sales and use tax laws to the requirements of the Streamlined Sales and Use Tax Agreement. The majority of the changes needed relate to references to "digital audiovisual works" upon which tax is being separately imposed to make sure Wisconsin preserves its right to impose tax on cable television services and at the same time be in compliance with the SSUTA.

Changes Needed to LRB 0377/P4

The following changes need to be made to LRB 0377/P4 to make sure Wisconsin is in compliance with the SSUTA as amended through December 2008:

- 77.59(9n)(a) – page 103, line 8 – change “the” to “a” and on line 10 change “is” to “was”
- 77.51(17)(intro) – On page 41, line 19 - insert “license” between “sale” and “lease”
- 77.51(20) – On page 43, lines 6 – 7 – delete the phrase “, but does not include items or property under s. 77.52 (1)(b) or (c) or digital audio visual works” from the end of the definition so that it reads exactly as the definition of tangible personal property reads in the Streamlined Sales and Use Tax Agreement (SSUTA). (Note: By specifically including the phrase which indicates that the definition of TPP “... does not include...” some businesses and possibly other states may try to argue that Wisconsin’s definition of TPP is not in compliance with the SSUTA and we may be found out of compliance with the SSUTA.)

The changes from here down relate to places where references need to be added due to adding the imposition of tax on “digital audio visual works” in sec. 77.52(1)(d) of this LRB draft:

- 73.03(61)(c) – On page 6, line 6 – after “(c),” insert “digital audiovisual works,”
- 77.51(1f) – On page 8, line 23 - after “(c),” insert “digital audiovisual works,” and on line 24 remove the word “or” before “property” and insert a “,” and after “items” insert “or works”
- 77.51(7)(a) – On page 16, line 7 – remove the second “or” and replace it with a “,” and after the second “property” insert “or works” and replace the last “or” with a “,” and after “(c)” insert “or (d)”
- 77.51(7)(b)1 – On page 16, lines 15 – 18 – at the end of line 15 remove “or” and replace it with a “,” and on line 16 after “property” insert “or works” and replace the first “or” with a “,” and after “(c)” insert “or (d)” and on line 18 remove the second “or” and replace it with a “,” and after the second “property” insert “or works” and replace the last “or” with a “,” and after “(c)” insert “or (d)”
- 77.51(7)(b)2 – On page 16, lines 20 – 23 – at the end of line 20 remove “or” and replace it with a “,” and on line 21 after “property” insert “or works” and replace the first “or” with a “,” and after “(c)” insert “or (d)” and on line 22 remove the second “or” and replace it with a “,” and after the second “property” insert “or works” and replace the last “or” with a “,” and after “(c)” insert “or (d)”
- 77.51(7)(b)3 – On page 17, lines 1 - 5 – On line 1 remove the second “or” and replace it with a “,” and after the second “property” insert “or works” and on line 2 replace the first “or” with a “,” and after “(c)” insert “or (d)” and on line 3 remove the second “or” and replace it with a “,” and after the second “property” insert “or works” and replace the last “or” with a “,” and after “(c)” insert “or (d)” and on line 5 remove the second “or” and replace it with a “,” and after the second “property” insert “or works” and replace the last “or” with a “,” and after “(c)” insert “or (d)”
- 77.51(11)(d) – On page 25, line 10 - remove the first “or” and replace it with a “,” and after “property” insert “or works” and replace “and” with a “,” and after “(c)” insert “and (d)”

- ✓ • 77.51(12m)(b)5 – On page 27, lines 19 – 22 – on line 20 remove the word “or” after the “,” and insert “, or a digital audiovisual work under s. 77.52(1)(d)” after “(c)” and on line 21 remove the word “or” before “property” and insert “, or work” after “property” and on line 22 remove the word “or” before “property” and insert “, or work” after “property”
- ✓ • 77.51(13g)(a) – On page 32, lines 2 – 3 - remove the third “or” and replace it with a “,” and after the second “property” insert “or works” and on line 3 replace the first “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.51(13g)(b) – On page 32, line 11 - remove the first “or” and replace it with a “,” and after the second “property” insert “or works” and replace the second “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.51(13g)(c) – On page 32, lines 14 – 15 - remove the last “or” and replace it with a “,” and on line 15 after “property” insert “or works” and replace the first “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.51(15b)(b)5 – On page 39, line 23 – remove the word “or” after the “,” and insert “, or a digital audiovisual work under s. 77.52(1)(d)” after “(c)” and on line 24 remove the word “or” before “property” and insert “, or work” after “property” and on line 1 of page 40 remove the word “or” before “property” and insert “, or work” after “property”
- ✓ • 77.52(1b) – On page 48, line 14 - remove the second “or” and replace it with a “,” and after “property” insert “or works” and replace the third “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.52(13) – On page 54, line 23 – after “item,” insert “work,” and on page 55, line 6 remove the first “or” and replace it with a “,” and after “property” insert “or works” and replace the last “or” with a “,” and after “(c)” insert “or (d),”
- ✓ • 77.52(22) – On page 59, lines 7 – 8 - remove the last “or” and replace it with a “,” and after “property” insert “or works” and on line 8 replace the first “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.522(2)(a) – On page 62, line 3 - remove the second “or” and replace it with a “,” and after “property” insert “or works” and replace the last “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.522(2)(a) – On page 62, lines 4 – 11 – on line 4 replace “or” with a “,” and insert “or work” after “item”, on line 5 replace “or” with a “,” and insert “or work” after “item”, on line 6 replace the second “or” with a “,” and insert “or work’s” after “item’s”, on line 7 replace “or” with a “,” and insert “or work” after “item”, on line 11 replace “or” with a “,” and insert “or work” after “item”
- ✓ • 77.53(1) – On page 69, line 7 - remove the second “or” and replace it with a “,” and after the second “property” insert “or works” and replace the third “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.53(10) – On page 72, line 11 - remove the first “or” and replace it with a “,” and after “property” insert “or works” and replace the second “or” with a “,” and after “(c)” insert “or (d)”
- ✓ • 77.54(7m) – On page 79, lines 1 – 2 and lines 10 - 11 - remove “or” and replace it with a “,” and after “property” insert “or works” and on line 2 replace “and” with a “,” and after “(c),” insert “and (d),” remove “and” and replace it with a “,” and after “property” insert “or works” and on line 11 replace “and” with a “,” and after “(c),” insert “and (d),”
- ✓ • 77.54(49) – On page 92, line 6 – replace the “or” with a “,” and insert “or work” after “item”

- 77.55(1)(intro) – On page 94, line 4 - remove “or” and replace it with a “,” and after “property” insert “or works” and replace the second “or” with a “,” and after “(c),” insert “or (d),”
- 77.55(2) - On page 94, line 8 – replace the first “and” with a “,” and after “property” insert “and works” and replace the second “and” with a “,” and after “(c),” insert “and (d),” and on line 11, replace “or” with a “,” and after “item” insert “or work”
- 77.55(3) – On page 95, line 1 - replace the first “and” with a “,” and after “property” insert “and works” and replace the second “and” with a “,” and after “(c),” insert “and (d),”
- 77.58(8) – On page 101, lines 3 - 4 - remove “or” at the end of line 3 and replace it with a “,” and on line 4 after “property” insert “or works” and replace “or” with a “,” and after “(c),” insert “or (d)”
- 77.59(9p)(b) – On page 104, lines 5 – 7 and 21 - remove the last “or” and replace it with a “,” and after “property” insert “or works” and on line 6 replace “or” with a “,” and after “(c),” insert “or (d),” and on line 7 replace “or” with a “,” and insert “or works” after “items”, and on line 21 replace “or” with a “,” and after “property” insert “or works” and replace the second “or” with a “,” and after “(c),” insert “or (d)”
- 77.785(1) – On page 121, lines 3 – 4 – replace the last “and” with a “,” and on line 4 after “property” insert “and works” and replace “and” with a “,” and after “(c)” insert “and (d)”