

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

2 77.51 (14g) (a) The transfer of property, items or property under s. 77.52 (1) (b)
3 or (c), or digital audiovisual works to a corporation upon its organization solely in
4 consideration for the issuance of its stock;

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

6 77.51 (14g) (b) The contribution of property, items or property under s. 77.52
7 (1) (b) or (c), or digital audiovisual works to a newly formed partnership solely in
8 consideration for a partnership interest therein;

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

10 77.51 (14g) (bm) The contribution of property, items or property under s. 77.52
11 (1) (b) or (c), or digital audiovisual works to a limited liability company upon its
12 organization solely in consideration for a membership interest;

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

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

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

18 77.51 (14g) (cm) The transfer of property, items or property under s. 77.52 (1)
19 (b) or (c), or digital audiovisual works to a limited liability company, solely in
20 consideration for a membership interest, pursuant to a merger;

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

22 77.51 (14g) (d) The distribution of property, items or property under s. 77.52
23 (1) (b) or (c), or digital audiovisual works by a corporation to its stockholders as a
24 dividend or in whole or partial liquidation;

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

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

4 **SECTION 105.** 77.51 (14g) (em) of the statutes is amended to read:

5 77.51 (14g) (em) The distribution of property, items or property under s. 77.52
6 (1) (b) or (c), or digital audiovisual works by a limited liability company to its
7 members in whole or partial liquidation;

8 **SECTION 106.** 77.51 (14g) (f) of the statutes is amended to read:

9 77.51 (14g) (f) Repossession of property, items or property under s. 77.52 (1)
10 (b) or (c), or digital audiovisual works by the seller from the purchaser when the only
11 consideration is cancellation of the purchaser's obligation to pay the remaining
12 balance of the purchase price;

13 **SECTION 107.** 77.51 (14g) (g) of the statutes is amended to read:

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

18 **SECTION 108.** 77.51 (14g) (h) of the statutes is amended to read:

19 77.51 (14g) (h) Any transfer of all or substantially all the property, items or
20 property under s. 77.52 (1) (b) or (c), or digital audiovisual works held or used by a
21 person in the course of an activity requiring the holding of a seller's permit, if after
22 the transfer the real or ultimate ownership of the property, items, or works is
23 substantially similar to that which existed before the transfer. For the purposes of
24 this section, stockholders, bondholders, partners, members or other persons holding
25 an interest in a corporation or other entity are regarded as having the real or

1 ultimate ownership of the property, items, or works of the corporation or other entity.

2 In this paragraph, “substantially similar” means 80% or more of ownership.

3 **SECTION 109.** 77.51 (14r) of the statutes is repealed.

4 **SECTION 110.** 77.51 (15) of the statutes is repealed.

5 **SECTION 111.** 77.51 (15a) of the statutes is created to read:

6 77.51 **(15a)** (a) “Sales, lease, or rental for resale, sublease, or subrent” includes
7 transfers of tangible personal property, items or property under s. 77.52 (1) (b) or (c),
8 or digital audiovisual works to a service provider that the service provider transfers
9 in conjunction with but not incidental to the selling, performing, or furnishing of any
10 service, and transfers of tangible personal property, items or property under s. 77.52
11 (1) (b) or (c), or digital audiovisual works to a service provider that the service
12 provider physically transfers in conjunction with the selling, performing, or
13 furnishing services under s. 77.52 (2) (a) 7., 10., 11., or 20. This paragraph does not
14 apply to sub. (2).

15 (b) “Sales, lease, or rental for resale, sublease, or subrent” does not include any
16 of the following:

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

21 2. Any sale of tangible personal property, items or property under s. 77.52 (1)
22 (b) or (c), or digital audiovisual works to a purchaser even though such property or
23 items may be used or consumed by some other person to whom such purchaser
24 transfers the property or items without valuable consideration, such as gifts, and
25 advertising specialties distributed at no charge and apart from the sale of other

1 tangible personal property, items or property under s. 77.52 (1) (b) or (c), or digital
2 audiovisual works, or service.

3 3. Transfers of tangible personal property, items or property under s. 77.52 (1)
4 (b) or (c), or digital audiovisual works to a service provider that the service provider
5 transfers in conjunction with the selling, performing, or furnishing of any service, if
6 the tangible personal property, items or property under s. 77.52 (1) (b) or (c), or digital
7 audiovisual works are incidental to the service, unless the service provider is selling,
8 performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., or 20.

9 **SECTION 112.** 77.51 (15b) of the statutes is created to read:

10 77.51 (15b) (a) "Sales price" means the total amount of consideration, including
11 cash, credit, property, and services, for which tangible personal property, items or
12 property under s. 77.52 (1) (b) or (c), digital audiovisual works or services are sold,
13 licensed, leased, or rented, valued in money, whether received in money or otherwise,
14 without any deduction for the following:

15 1. The seller's cost of the property, items, property under s. 77.52 (1) (b) or (c),
16 or digital audiovisual works sold.

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

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

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

23 b. If a shipment includes property or items that are subject to tax under this
24 subchapter and property or items that are not subject to tax under this subchapter,
25 the amount of the delivery charge that the seller allocates to the property and items

1 that are subject to tax under this subchapter is based either on the total sales price
2 of the property and items that are subject to tax under this subchapter as compared
3 to the total sales price of all the property and items or on the total weight of the
4 property and items that are subject to tax under this subchapter as compared to the
5 total weight of all the property and items.

6 5. Installation charges.

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

8 1. Discounts, including cash, terms, or coupons, that are not reimbursed by a
9 3rd party, except as provided in par. (c); that are allowed by a seller; and that are
10 taken by a purchaser on a sale.

11 2. Interest, financing, and carrying charges from credit that is extended on a
12 sale of tangible personal property, items or property under s. 77.52 (1) (b) or (c),
13 digital audiovisual works, or services, if the amount of the interest, financing, or
14 carrying charges is separately stated on the invoice, bill of sale, or similar document
15 that the seller gives to the purchaser.

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

19 4. Delivery charges for direct mail, if the delivery charges for direct mail are
20 separately stated on the invoice, bill of sale, or similar document that the seller gives
21 to the purchaser. *, or a digital audiovisual work*

22 5. In all transactions in which an article of tangible personal property, an item
23 under s. 77.52 (1) (b), *or* property under s. 77.52 (1) (c) is traded toward the purchase
24 of an article, item, *or* property of greater value, the amount of the sales price that
, or work

① represents the amount allowed for the article, item, or property traded, except that
2 this subdivision does not apply to any transaction to which subd. 7. or 8. applies.

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

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

13 8. At the retailer's option; except that after the retailer chooses an option the
14 retailer may not use the other option for other sales without the department's written
15 approval; either 35 percent of the sales price of a modular home, as defined in s.
16 101.71 (6), or an amount equal to the sales price of the home minus the cost of
17 materials that become an ingredient or component part of the home.

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

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

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

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

4 4. One of the following also applies:

5 a. The purchaser presents a coupon, certificate, or other documentation to the
6 seller to claim the price reduction or discount, if the coupon, certificate, or other
7 documentation is authorized, distributed, or granted by the 3rd party with the
8 understanding that the 3rd party will reimburse the seller for the amount of the price
9 reduction or discount.

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

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

15 **SECTION 113.** 77.51 (17) (intro.) of the statutes is amended to read:

16 77.51 (17) (intro.) "Seller" includes every person selling, licensing, leasing, or
17 renting tangible personal property, items or property under s. 77.52 (1) (b) or (c), or
18 digital audiovisual works or selling, performing, or furnishing services of a kind the
19 gross receipts sales price from the sale, ^{license} lease, rental, performance, or furnishing of
20 which ~~are~~ is required to be included in the measure of the sales tax, regardless of all
21 of the following:

22 **SECTION 114.** 77.51 (17m) of the statutes is repealed and recreated to read:

23 77.51 (17m) "Service address" means any of the following:

24 (a) The location of the telecommunications equipment to which a customer's
25 telecommunications service is charged and from which the telecommunications

1 service originates or terminates, regardless of where the telecommunications service
2 is billed or paid.

3 (b) If the location described under par. (a) is not known by the seller who sells
4 the telecommunications service, the location where the signal of the
5 telecommunications service originates, as identified by the seller's
6 telecommunications system or, if the signal is not transmitted by the seller's
7 telecommunications system, by information that the seller received from the seller's
8 service provider.

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

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

12 77.51 (17w) "Soft drink" means a beverage that contains less than 0.5 percent
13 of alcohol and that contains natural or artificial sweeteners. "Soft drink" does not
14 include a beverage that contains milk or milk products; soy, rice, or similar milk
15 substitutes; or more than 50 percent vegetable or fruit juice by volume.

16 **SECTION 116.** 77.51 (18) of the statutes is amended to read:

17 77.51 (18) "Storage" includes any keeping or retention in this state of tangible
18 personal property, items or property under s. 77.52 (1) (b) or (c), or digital audiovisual
19 works purchased from a retailer for any purpose except sale in the regular course of
20 business.

21 **SECTION 117.** 77.51 (20) of the statutes is amended to read:

22 77.51 (20) "Tangible personal property" means ~~all tangible personal property~~
23 ~~of every kind and description that can be seen, weighed, measured, felt, or touched,~~
24 ~~or that is in any other manner perceptible to the senses,~~ and includes electricity,
25 natural gas, steam and, water, and also leased property ~~affixed to realty if the lesser~~

1 has the right to remove the property upon breach or termination of the lease
2 agreement, unless the lessor of the property is also the lessor of the realty to which
3 the property is affixed. "Tangible personal property" also includes coins and stamps
4 of the United States sold or traded as collectors' items above their face value and
5 computer programs except custom computer programs prewritten computer
6 software, but does not include items or property under s. 77.52 (1) (b) or (c) or digital
7 audiovisual works.

8 **SECTION 118.** 77.51 (21) of the statutes is amended to read:

9 77.51 (21) "Taxpayer" means the person who is required to pay, collect, or
10 account for or who is otherwise directly interested in the taxes imposed by this
11 subchapter, including a certified service provider.

12 **SECTION 119.** 77.51 (21m) of the statutes is amended to read:

13 77.51 (21m) "Telecommunications and Internet access services" means
14 sending messages and information transmitted through the use of local, toll and
15 wide-area telephone service; channel services; telegraph services; teletypewriter;
16 computer exchange services; cellular mobile telecommunications service; specialized
17 mobile radio; stationary two-way radio; paging service; or any other form of mobile
18 and portable one-way or two-way communications; or any other transmission of
19 messages or information by electronic or similar means between or among points by
20 wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities.
21 "Telecommunications and Internet access services" does not include sending collect
22 telecommunications that are received outside of the state.

23 **SECTION 120.** 77.51 (21m) of the statutes, as affected by 2009 Wisconsin Act

24 (this act), is renumbered 77.51 (5f) and amended to read:

1 77.51 (5f) ~~“Telecommunications and Internet access services”~~ means sending
2 messages and information transmitted through the use of local, toll and wide-area
3 telephone service; channel services; telegraph services; teletypewriter; computer
4 exchange services; cellular mobile telecommunications service; specialized mobile
5 radio; stationary two-way radio; paging service; or any other form of mobile and
6 portable one-way or two-way communications; or any other transmission of
7 messages or information by electronic or similar means between or among points by
8 wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities.
9 ~~“Telecommunications and Internet access services” does not include sending collect~~
10 ~~telecommunications that are received outside of the state telecommunications~~
11 ~~services to the extent that such services are taxable under s. 77.52 (2) (a) 5. am.~~

12 **SECTION 121.** 77.51 (21n) of the statutes is created to read:

13 77.51 (21n) “Telecommunications services” means electronically transmitting,
14 conveying, or routing voice, data, audio, video, or other information or signals to a
15 point or between or among points. “Telecommunications services” includes the
16 transmission, conveyance, or routing of such information or signals in which
17 computer processing applications are used to act on the content’s form, code, or
18 protocol for transmission, conveyance, or routing purposes, regardless of whether
19 the service is referred to as a voice over Internet protocol service or classified by the
20 federal communications commission as an enhanced or value-added nonvoice data
21 service. “Telecommunications services” does not include any of the following:

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

1 (b) Installing or maintaining wiring or equipment on a customer's premises.

2 (c) Tangible personal property.

3 (d) Advertising, including directory advertising.

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

5 (f) Internet access services.

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

11 (h) Ancillary services.

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

14 **SECTION 122.** 77.51 (21p) of the statutes is created to read:

15 77.51 (21p) "Tobacco" means cigarettes, cigars, chewing tobacco, pipe tobacco,
16 and any other item that contains tobacco.

17 **SECTION 123.** 77.51 (21q) of the statutes is created to read:

18 77.51 (21q) "Transferred electronically" means accessed or obtained by the
19 purchaser by means other than tangible storage media.

20 **SECTION 124.** 77.51 (22) (a) of the statutes is amended to read:

21 77.51 (22) (a) "Use" includes the exercise of any right or power over tangible
22 personal property, items or property under s. 77.52 (1) (b) or (c), digital audiovisual
23 works, or taxable services incident to the ownership, possession or enjoyment of the
24 property, items, or services, or the results produced by the services, including
25 installation or affixation to real property and including the possession of, or the

1 exercise of any right or power over tangible personal property, items or property
2 under s. 77.52 (1) (b) or (c), digital audiovisual works, by a lessee under a lease, except
3 that “use” does not include the activities under sub. (18).

4 **SECTION 125.** 77.51 (22) (b) of the statutes is amended to read:

5 77.51 (22) (b) In this subsection “enjoyment” includes a purchaser’s right to
6 direct the disposition of property, items or property under s. 77.52 (1) (b) or (c), or
7 digital audiovisual works, whether or not the purchaser has possession of the
8 property, items, or works. “Enjoyment” also includes, but is not limited to, having
9 shipped into this state by an out-of-state supplier printed material which is
10 designed to promote the sale of property, items or property under s. 77.52 (1) (b) or
11 (c), digital audiovisual works, or services, or which is otherwise related to the
12 business activities, of the purchaser of the printed material or printing service.

13 **SECTION 126.** 77.51 (22) (bm) of the statutes is created to read:

14 77.51 (22) (bm) In this subsection, “exercise of any right or power over tangible
15 personal property, items or property under s. 77.52 (1) (b) or (c), digital audiovisual
16 works, or taxable services” includes distributing, selecting recipients, determining
17 mailing schedules, or otherwise directing the distribution, dissemination, or
18 disposal of tangible personal property, items or property under s. 77.52 (1) (b) or (c),
19 digital audiovisual works, or taxable services, regardless of whether the purchaser
20 of such property, items, works, or services owns or physically possesses, in this state,
21 the property, items, works, or services.

22 **SECTION 127.** 77.51 (24) of the statutes is created to read:

23 77.51 (24) “Value-added nonvoice data service” means a service in which
24 computer processing applications are used to act on the form, content, code, or

1 protocol of the data provided by the service and are used primarily for a purpose other
2 than for transmitting, conveying, or routing data.

3 **SECTION 128.** 77.51 (25) of the statutes is created to read:

4 77.51 (25) "Vertical service" means an ancillary service that is provided with
5 one or more telecommunications services and allows customers to identify callers
6 and to manage multiple calls and call connections, including conference bridging
7 services.

8 **SECTION 129.** 77.51 (26) of the statutes is created to read:

9 77.51 (26) "Voice mail service" means an ancillary service that allows a
10 customer to store, send, or receive recorded messages, not including any vertical
11 service that the customer must have to use the voice mail service.

12 **SECTION 130.** 77.52 (1) of the statutes is renumbered 77.52 (1) (a) and amended
13 to read:

14 77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible
15 personal property, including accessories, components, attachments, parts, supplies
16 and materials, at retail a tax is imposed upon all retailers at the rate of 5% of the
17 ~~gross receipts~~ sales price from the sale, license, lease or rental of tangible personal
18 property, including accessories, components, attachments, parts, supplies and
19 materials, sold, leased or rented at retail in this state, as determined under s. 77.522.

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

21 77.52 (1) (b) For the privilege of selling at retail coins and stamps of the United
22 States that are sold or traded as collectors' items above their face value, a tax is
23 imposed on all retailers at the rate of 5 percent of the sales price from the sale of such
24 coins and stamps.

25 **SECTION 132.** 77.52 (1) (c) of the statutes is created to read:

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

6 **SECTION 133.** 77.52 (1) (d) of the statutes is created to read:

7 77.52 (1) (d) A tax is imposed on all retailers at the rate of 5 percent of the sales
8 price from the sale, license, lease, or rental of digital audiovisual works at retail for
9 the right to use the digital audiovisual works on a permanent or less than permanent
10 basis and regardless of whether the purchaser is required to make continued
11 payments for such right.

12 **SECTION 134.** 77.52 (1b) of the statutes is repealed and recreated to read:

13 77.52 (1b) All sales, licenses, leases, or rentals of tangible personal property
14 or items ^{of} ~~or~~ property ^{or works} under sub. (1) (b) ^{of} ~~or~~ (c) ^{of} ~~at~~ retail in this state are subject to the
15 tax imposed under sub. (1) unless an exemption in this subchapter applies.

16 **SECTION 135.** 77.52 (2) (intro.) of the statutes is amended to read:

17 77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing
18 the services described under par. (a) at retail in this state, as determined under s.
19 77.522, to consumers or users, regardless of whether the consumer or user has the
20 right of permanent use or less than the right of permanent use and regardless of
21 whether the service is conditioned on continued payment from the purchaser, a tax
22 is imposed upon all persons selling, licensing, performing or furnishing the services
23 at the rate of 5% of the ~~gross receipts~~ sales price from the sale, license, performance
24 or furnishing of the services.

25 **SECTION 136.** 77.52 (2) (a) 5. a. of the statutes is amended to read:

1 77.52 (2) (a) 5. a. The sale of telecommunications and Internet access services,
2 except services subject to 4 USC 116 to 126, as amended by P.L. 106-252, that either
3 originate or terminate in this state; except services that are obtained by means of a
4 toll-free number, that originate outside this state and that terminate in this state;
5 and are charged to a service address in this state, regardless of the location where
6 that charge is billed or paid; and the sale of the rights to purchase
7 telecommunications services, including purchasing reauthorization numbers, by
8 paying in advance and by using an access number and authorization code, except
9 sales that are subject to subd. 5. b.

10 **SECTION 137.** 77.52 (2) (a) 5. a. of the statutes, as affected by 2009 Wisconsin
11 Act ... (this act), is amended to read:

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

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

22 77.52 (2) (a) 5. am. The sale of intrastate, interstate, and international
23 telecommunications services, except interstate 800 services.

24 **SECTION 139.** 77.52 (2) (a) 5. b. of the statutes is repealed.

25 **SECTION 140.** 77.52 (2) (a) 5. c. of the statutes is created to read:

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1 77.52 (2) (a) 5. c. The sale of ancillary services, except detailed
2 telecommunications billing services.

3 **SECTION 141.** 77.52 (2) (a) 5m. of the statutes is amended to read:

4 77.52 (2) (a) 5m. The sale of services that consist of recording
5 telecommunications messages and transmitting them to the purchaser of the service
6 or at that purchaser's direction, but not including those services if they are merely
7 an that are taxable under subd. 5. or services that are incidental, as defined in s.
8 77.51 (5), ~~element of~~ to another service that is not taxable under this subchapter and
9 ~~sold to that~~ the purchaser of the incidental service and is not taxable under this
10 ~~subchapter.~~

11 **SECTION 142.** 77.52 (2) (a) 10. of the statutes is amended to read:

12 77.52 (2) (a) 10. Except for services provided by veterinarians and except for
13 installing or applying tangible personal property that, subject to par. (ag), when
14 installed or applied, will constitute an addition or capital improvement of real
15 property, the repair, service, alteration, fitting, cleaning, painting, coating, towing,
16 inspection, and maintenance of all items of tangible personal property, items or
17 property under sub. (1) (b) or (c), or digital audiovisual works, unless, at the time of
18 that repair, service, alteration, fitting, cleaning, painting, coating, towing,
19 inspection, or maintenance, a sale in this state of the type of property, item, or work
20 repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or
21 maintained would have been exempt to the customer from sales taxation under this
22 subchapter, other than the exempt sale of a motor vehicle or truck body to a
23 nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. ~~77.51~~
24 ~~(14r)~~ 77.522 or unless the repair, service, alteration, fitting, cleaning, painting,
25 coating, towing, inspection, or maintenance is provided under a contract that is

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

10 **SECTION 143.** 77.52 (2) (a) 11. of the statutes, as affected by 2007 Wisconsin Act
11 20, is amended to read:

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

20 **SECTION 144.** 77.52 (2) (a) 13m. of the statutes is created to read:

21 77.52 (2) (a) 13m. The sale of contracts, including service contracts,
22 maintenance agreements, computer software maintenance contracts for prewritten
23 computer software, and warranties, that provide, in whole or in part, for the future
24 performance of or payment for the repair, service, alteration, fitting, cleaning,
25 painting, coating, towing, inspection, or maintenance of tangible personal property,

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1 items or property under sub. (1) (b) or (c), or digital audiovisual works, unless the
2 sale, license, lease, or rental in this state of the property, items, or works to which the
3 contract relates is or was exempt, to the purchaser of the contract, from taxation
4 under this subchapter.

5 **SECTION 145.** 77.52 (2m) (a) of the statutes is amended to read:

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

11 **SECTION 146.** 77.52 (2m) (b) of the statutes is amended to read:

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

19 **SECTION 147.** 77.52 (2n) of the statutes is repealed and recreated to read:

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

24 **SECTION 148.** 77.52 (3m) of the statutes is repealed.

25 **SECTION 149.** 77.52 (3n) of the statutes is repealed.

1 **SECTION 150.** 77.52 (4) of the statutes is amended to read:

2 77.52 (4) It is unlawful for any retailer to advertise or hold out or state to the
3 public or to any customer, directly or indirectly, that the tax or any part thereof will
4 be assumed or absorbed by the retailer or that it will not be added to the selling price
5 of the property, items or property under sub. (1) (b) or (c), or digital audiovisual works
6 sold or that if added it, or any part thereof, will be refunded. Any person who violates
7 this subsection is guilty of a misdemeanor.

8 **SECTION 151.** 77.52 (6) of the statutes is repealed.

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

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

24 **SECTION 153.** 77.52 (7b) of the statutes is created to read:

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

4 **SECTION 154.** 77.52 (12) of the statutes is amended to read:

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

16 **SECTION 155.** 77.52 (13) of the statutes is amended to read:

17 77.52 (13) For the purpose of the proper administration of this section and to
18 prevent evasion of the sales tax it shall be presumed that all receipts are subject to
19 the tax until the contrary is established. The burden of proving that a sale of tangible
20 personal property, items or property under sub. (1) (b) or (c), digital audiovisual
21 works, or services is not a taxable sale at retail is upon the person who makes the sale
22 unless that person takes from the purchaser ~~a~~ an electronic or a paper certificate,
23 in a manner prescribed by the department, to the effect that the property, item, or
24 service is purchased for resale or is otherwise exempt, except that no certificate is
25 required for sales of cattle, sheep, goats, and pigs that are sold at an animal market,

work,

1 as defined in s. 95.68 (1) (ag), and no certificate is required for sales of commodities,
2 as defined in 7 USC 2, that are consigned for sale in a warehouse in or from which
3 the commodity is deliverable on a contract for future delivery subject to the rules of
4 a commodity market regulated by the U.S. commodity futures trading commission
5 if upon the sale the commodity is not removed from the warehouse the sale of tangible
6 personal property, items ^g or property ^{or works} under sub. (1) (b) ^g or (c), ^{or (d)} and services that are
7 exempt under s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n), (21), (22b), (31),
8 (32), (35), (36), (37), (42), (44), (45), (46), (51), and (52).

9 SECTION 156. 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are
10 consolidated, renumbered 77.52 (14) (a) and amended to read:

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

1 sought to be covered by the exemption certificate is received by the purchaser at a
2 location operated by the seller in this state and the exemption certificate clearly and
3 affirmatively indicates that the claimed exemption is not available in this state. The
4 certificate referred to in sub. (13) shall ~~be signed by and bear the name and address~~
5 ~~of provide information that identifies the purchaser, and shall indicate the general~~
6 ~~character of the tangible personal property or service sold by the purchaser and the~~
7 ~~basis for the claimed exemption and a paper certificate shall be signed by the~~
8 ~~purchaser.~~ The certificate shall be in such form as the department prescribes by rule.

9 **SECTION 157.** 77.52 (14) (a) 2. of the statutes is repealed.

10 **SECTION 158.** 77.52 (14) (am) of the statutes is created to read:

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

17 **SECTION 159.** 77.52 (14) (bm) of the statutes is created to read:

18 77.52 (14) (bm) A certified service provider is relieved from liability for the tax
19 otherwise applicable to the same extent as the seller, who is the certified service
20 provider's client, is relieved from liability for the tax otherwise applicable under par.
21 (a) or (am).

22 **SECTION 160.** 77.52 (15) of the statutes is amended to read:

23 77.52 (15) If a purchaser who ~~gives a resale certificate~~ purchases tangible
24 personal property, items or property under sub. (1) (b) or (c), digital audiovisual
25 works, or taxable services without paying a sales tax or use tax on such purchase

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

11 **SECTION 161.** 77.52 (16) of the statutes is amended to read:

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

22 **SECTION 162.** 77.52 (17m) (b) 6. of the statutes is amended to read:

23 77.52 (17m) (b) 6. The applicant purchases enough tangible personal property,
24 items or property under sub. (1) (b) or (c), digital audiovisual works under

1 circumstances that make it difficult to determine whether the property, items, or
2 works will be subject to a tax under this subchapter.

3 **SECTION 163.** 77.52 (19) of the statutes is amended to read:

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

14 **SECTION 164.** 77.52 (20) of the statutes is created to read:

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

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

25 **SECTION 165.** 77.52 (21) of the statutes is created to read:

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

5 **SECTION 166.** 77.52 (22) of the statutes is created to read:

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

10 **SECTION 167.** 77.52 (23) of the statutes is created to read:

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

15 **SECTION 168.** 77.522 of the statutes is created to read:

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

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

22 2. "Transportation equipment" means any of the following:

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

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

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

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

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

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

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

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

23 4. If the location of a sale of a product cannot be determined under subs. 1. to
24 3., the sale occurs at the purchaser's address as obtained during the consummation

1 of the sale, including the address indicated on the purchaser's payment instrument,
2 if no other address is available and if using that address is not in bad faith.

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

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

8 b. If the item sold is a digital good, or computer software delivered
9 electronically, the sale occurs at the location from which the digital good or computer
10 software was first available for transmission by the seller, not including any location
11 that merely provided the digital transfer of the product sold.

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

14 (c) The sale of direct mail occurs at the location from which the direct mail is
15 shipped, if the purchaser does 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. If the purchaser provides an exemption certificate claiming direct mail
19 or direct pay permit to the seller, the purchaser shall pay or remit, as appropriate,
20 to the department the tax imposed under s. 77.53 on all purchases for which the tax
21 is due and the seller is relieved from liability for collecting such tax. An exemption
22 certificate claiming direct mail provided to a seller under this paragraph shall
23 remain effective for all sales by the seller who received the exemption certificate to
24 the purchaser who provided the exemption certificate, unless the purchaser revokes
25 the exemption certificate in writing and provides such revocation to the seller.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 **SECTION 169.** 77.523 (title) of the statutes is repealed.

23 **SECTION 170.** 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended
24 to read:

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

23 **SECTION 171.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

24 **SECTION 172.** 77.524 (1) (ag) of the statutes is created to read:

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

4 **SECTION 173.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g) and
5 amended to read:

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

11 **SECTION 174.** 77.525 of the statutes is amended to read:

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

20 **SECTION 175.** 77.53 (1) of the statutes is amended to read:

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

1 of 5% of the sales purchase price of ~~that the~~ property or items; on the storage, use,
2 or other consumption of digital audiovisual works purchased from any retailer, if the
3 purchaser has the right to use the digital audiovisual works on a permanent or less
4 than permanent basis and regardless of whether the purchaser is required to make
5 continued payments for such right, at the rate of 5 percent of the sales price of the
6 digital audiovisual works; and on the storage, use or other consumption of tangible
7 personal property or items ^{or property} ~~under s. 77.52 (1) (b) or (c)~~ ^{manufactured,}
8 processed or otherwise altered, in or outside this state, by the person who stores, uses
9 or consumes it, from material purchased from any retailer, at the rate of 5% of the
10 sales purchase price of that material.

11 **SECTION 176.** 77.53 (1b) of the statutes is repealed and recreated to read:

12 77.53 (1b) The storage, use, or other consumption in this state of tangible
13 personal property, items or property under s. 77.52 (1) (b) or (c), or digital audiovisual
14 works, and the use or other consumption in this state of a taxable service, purchased
15 from any retailer is subject to the tax imposed in this section unless an exemption
16 in this subchapter applies.

17 **SECTION 177.** 77.53 (2) of the statutes is amended to read:

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

1 section given to the purchaser under sub. (3) relieves the purchaser from further
2 liability for the tax to which the receipt refers.

3 **SECTION 178.** 77.53 (3) of the statutes is amended to read:

4 77.53 (3) Every retailer engaged in business in this state and making sales of
5 tangible personal property, items or property under s. 77.52 (1) (b) or (c), digital
6 audiovisual works, or taxable services ~~for delivery into this state or with knowledge~~
7 ~~directly or indirectly that the property or service is intended for storage, use or other~~
8 ~~consumption in that are sourced to this state under s. 77.522~~, shall, at the time of
9 making the sales or, if the storage, use or other consumption of the tangible personal
10 property or taxable service is not then taxable under this section, at the time the
11 storage, use or other consumption becomes taxable, collect the tax from the
12 purchaser and give to the purchaser a receipt in the manner and form prescribed by
13 the department.

14 **SECTION 179.** 77.53 (4) of the statutes is repealed.

15 **SECTION 180.** 77.53 (9) of the statutes is amended to read:

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

1 **SECTION 181.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and
2 amended to read:

3 77.53 **(9m)** (a) Any person who is not otherwise required to collect any tax
4 imposed by this subchapter and who makes sales to persons within this state of
5 tangible personal property, items or property under s. 77.52 (1) (b) or (c), digital
6 audiovisual works, or taxable services the use of which is subject to tax under this
7 subchapter may register with the department under the terms and conditions that
8 the department imposes and shall obtain a valid certificate under s. 73.03 (50) and
9 thereby be authorized and required to collect, report, and remit to the department
10 the use tax imposed by this subchapter.

11 **SECTION 182.** 77.53 (9m) (b) of the statutes is created to read:

12 77.53 **(9m)** (b) Any person who may register under par. (a) may designate an
13 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),
14 in the manner prescribed by the department.

15 **SECTION 183.** 77.53 (9m) (c) of the statutes is created to read:

16 77.53 **(9m)** (c) The registration under par. (a) by a person who is not otherwise
17 required to collect any tax imposed by this subchapter shall not be used as a factor
18 in determining whether the seller has nexus with this state for any tax at any time.

19 **SECTION 184.** 77.53 (10) of the statutes is amended to read:

20 77.53 **(10)** For the purpose of the proper administration of this section and to
21 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that
22 tangible personal property, items or property under s. 77.52 (1) (b) or (c), digital
23 audiovisual works, or taxable services sold by any person for delivery in this state
24 is sold for storage, use, or other consumption in this state until the contrary is
25 established. The burden of proving the contrary is upon the person who makes the

1 sale unless that person takes from the purchaser ~~a~~ an electronic or paper certificate,
 2 in a manner prescribed by department, to the effect that the property, items or
 3 property under s. 77.52 (1) (b) or (c), digital audiovisual works, or taxable service is
 4 purchased for resale, or otherwise exempt from the tax;, except that no certificate is
 5 required for sales of cattle, sheep, goats, and pigs that are sold at an animal market,
 6 as defined in s. 95.68 (1) (ag), and no certificate is required for sales of commodities,
 7 as defined in 7 USC 2, that are consigned for sale in a warehouse in or from which
 8 the commodity is deliverable on a contract for future delivery subject to the rules of
 9 a commodity market regulated by the U.S. commodity futures trading commission
 10 if upon the sale the commodity is not removed from the warehouse the sale of tangible
 11 personal property, items ^{of} ~~or~~ ^{or works} ~~property~~ under s. 77.52 (1) (b) ^{of} ~~or~~ ^{or (d)} (c), and services that are
 12 exempt under s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n), (21), (22b), (31),
 13 (32), (35), (36), (37), (42), (44), (45), (46), (51), and (52).

14 **SECTION 185.** 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and
 15 amended to read:

16 77.53 (11) (a) The certificate referred to in under sub. (10) relieves the person
 17 selling the property, items or property under s. 77.52 (1) (b) or (c), digital audiovisual
 18 works, or service from the burden of proof of the tax otherwise applicable only if taken
 19 in good faith the seller obtains a fully completed exemption certificate, or the
 20 information required to prove the exemption, from a person who is engaged as a
 21 seller of tangible personal property or taxable services and who holds the permit
 22 provided for by s. 77.52 (9) and who, at the time of purchasing the purchaser no later
 23 than 90 days after the date of the sale of the tangible personal property, items or
 24 property under s. 77.52 (1) (b) or (c), digital audiovisual works, or taxable service,
 25 intends to sell it in the regular course of operations or is unable to ascertain at the

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

17 **SECTION 186.** 77.53 (11) (b) of the statutes is created to read:

18 77.53 (11) (b) If the seller has not obtained a fully completed exemption
19 certificate or the information required to prove the exemption, as provided in par. (a),
20 the seller may, no later than 120 days after the department requests that the seller
21 substantiate the exemption, either provide proof of the exemption to the department
22 by other means or obtain, in good faith, a fully completed exemption certificate from
23 the purchaser.

24 **SECTION 187.** 77.53 (12) of the statutes is amended to read:

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

7 **SECTION 188.** 77.53 (14) of the statutes is amended to read:

8 77.53 (14) It is presumed that tangible personal property, items or property
9 under s. 77.52 (1) (b) or (c), digital audiovisual works, or taxable services shipped or
10 brought to this state by the purchaser were purchased from or serviced by a retailer.

11 **SECTION 189.** 77.53 (15) of the statutes is amended to read:

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

23 **SECTION 190.** 77.53 (16) of the statutes is amended to read:

24 77.53 (16) If the purchase, rental or lease of tangible personal property, items
25 or property under s. 77.52 (1) (b) or (c), digital audiovisual works, or service subject

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

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

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

25 **SECTION 192.** 77.53 (17m) of the statutes is amended to read:

1 77.53 (17m) This section does not apply to a boat purchased in a state
2 contiguous to this state, as determined under s. 77.522, by a person domiciled in that
3 state if the boat is berthed in this state's boundary waters adjacent to the state of the
4 domicile of the purchaser and if the transaction was an exempt occasional sale under
5 the laws of the state in which the purchase was made.

6 **SECTION 193.** 77.53 (17r) (a) of the statutes is amended to read:

7 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

8 **SECTION 194.** 77.53 (18) of the statutes is amended to read:

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

18 **SECTION 195.** 77.54 (1) of the statutes is amended to read:

19 77.54 (1) The gross receipts sales price from the sale of and the storage, use or
20 other consumption in this state of tangible personal property, items and property
21 under s. 77.52 (1) (b) and (c), digital audiovisual works, and services the gross
22 receipts sales price from the sale of which, or the storage, use or other consumption
23 of which, this state is prohibited from taxing under the constitution or laws of the
24 United States or under the constitution of this state.

25 **SECTION 196.** 77.54 (2) of the statutes is amended to read:

1 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or
2 other consumption of tangible personal property becoming an ingredient or
3 component part of an article of tangible personal property or which is consumed or
4 destroyed or loses its identity in the manufacture of tangible personal property in
5 any form destined for sale, except as provided in sub. (30) (a) 6.

6 **SECTION 197.** 77.54 (2m) of the statutes is amended to read:

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

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

17 77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use,
18 or other consumption of tractors and machines, including accessories, attachments,
19 and parts, lubricants, nonpowered equipment, and other tangible personal property
20 that are used exclusively and directly, or are consumed or lose their identities, in the
21 business of farming, including dairy farming, agriculture, horticulture, floriculture,
22 silviculture, and custom farming services, but excluding automobiles, trucks, and
23 other motor vehicles for highway use; excluding personal property that is attached
24 to, fastened to, connected to, or built into real property or that becomes an addition
25 to, component of, or capital improvement of real property; and excluding tangible

1 personal property used or consumed in the erection of buildings or in the alteration,
2 repair, or improvement of real property, regardless of any contribution that that
3 personal property makes to the production process in that building or real property
4 and regardless of the extent to which that personal property functions as a machine,
5 except as provided in par. (c).

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

7 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the
8 storage, use or other consumption of the following items if they are used exclusively
9 by the purchaser or user in the business of farming; including dairy farming,
10 agriculture, horticulture, floriculture, silviculture, and custom farming services:

11 **SECTION 200.** 77.54 (4) of the statutes is amended to read:

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

19 **SECTION 201.** 77.54 (5) (intro.) of the statutes is amended to read:

20 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
21 use or other consumption of:

22 **SECTION 202.** 77.54 (6) (intro.) of the statutes is amended to read:

23 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
24 use or other consumption of:

25 **SECTION 203.** 77.54 (7m) of the statutes is amended to read:

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

16 SECTION 204. 77.54 (8) of the statutes is amended to read:

17 77.54 (8) Charges for ~~interest, financing or insurance,~~ not including contracts
 18 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the
 19 invoice given by the seller to the purchaser.

20 SECTION 205. 77.54 (9) of the statutes is amended to read:

21 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
 22 public and private elementary and secondary school activities, where the entire net
 23 proceeds therefrom are expended for educational, religious or charitable purposes.

24 SECTION 206. 77.54 (9a) (intro.) of the statutes is amended to read:

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

4 **SECTION 207.** 77.54 (10) of the statutes is amended to read:

5 77.54 (10) The ~~gross receipts~~ sales price from the sale of all admission fees,
6 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees
7 to any museum operated by a nonprofit corporation under a lease agreement with
8 the state historical society.

9 **SECTION 208.** 77.54 (11) of the statutes is amended to read:

10 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
11 or other consumption in this state of motor vehicle fuel, general aviation fuel or
12 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or
13 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
14 in operating a motor vehicle upon the public highways.

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

16 77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use
17 or other consumption in this state of rail freight or passenger cars, locomotives or
18 other rolling stock used in railroad operations, or accessories, attachments, parts,
19 lubricants or fuel therefor.

20 **SECTION 210.** 77.54 (13) of the statutes is amended to read:

21 77.54 (13) The ~~gross receipts~~ sales price from the sales of and the storage, use
22 or other consumption in this state of commercial vessels and barges of 50-ton burden
23 or over primarily engaged in interstate or foreign commerce or commercial fishing,
24 and the accessories, attachments, parts and fuel therefor.

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

1 77.54 (14) (intro.) The ~~gross receipts~~ sales price from the sales of and the
2 storage, use, or other consumption in this state of ~~medicines~~ drugs that are any of
3 the following:

4 **SECTION 212.** 77.54 (14) (a) of the statutes is amended to read:

5 77.54 (14) (a) Prescribed for the treatment of a human being by a person
6 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by
7 a registered pharmacist in accordance with law.

8 **SECTION 213.** 77.54 (14) (b) of the statutes is amended to read:

9 77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist
10 to a patient who is a human being for treatment of the patient.

11 **SECTION 214.** 77.54 (14) (f) (intro.) of the statutes is amended to read:

12 77.54 (14) (f) (intro.) Furnished without charge to any of the following if the
13 ~~medicine~~ drug may not be dispensed without a prescription:

14 **SECTION 215.** 77.54 (14g) of the statutes is repealed.

15 **SECTION 216.** 77.54 (14s) of the statutes is repealed.

16 **SECTION 217.** 77.54 (15) of the statutes is amended to read:

17 77.54 (15) The ~~gross receipts~~ sales price from the sale of and the storage, use
18 or other consumption of all newspapers, of periodicals sold by subscription and
19 regularly issued at average intervals not exceeding 3 months, or issued at average
20 intervals not exceeding 6 months by an educational association or corporation sales
21 to which are exempt under sub. (9a) (f), of controlled circulation publications sold to
22 commercial publishers for distribution without charge or mainly without charge or
23 regularly distributed by or on behalf of publishers without charge or mainly without
24 charge to the recipient and of shoppers guides which distribute no less than 48 issues
25 in a 12-month period. In this subsection, "shoppers guide" means a community

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1 publication delivered, or attempted to be delivered, to most of the households in its
2 coverage area without a required subscription fee, which advertises a broad range
3 of products and services offered by several types of businesses and individuals. In
4 this subsection, "controlled circulation publication" means a publication that has at
5 least 24 pages, is issued at regular intervals not exceeding 3 months, that devotes
6 not more than 75% of its pages to advertising and that is not conducted as an
7 auxiliary to, and essentially for the advancement of, the main business or calling of
8 the person that owns and controls it.

9 **SECTION 218.** 77.54 (16) of the statutes is amended to read:

10 77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use
11 or other consumption of fire trucks and fire fighting equipment, including
12 accessories, attachments, parts and supplies therefor, sold to volunteer fire
13 departments.

14 **SECTION 219.** 77.54 (17) of the statutes is amended to read:

15 77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use
16 or other consumption of water, that is not food and food ingredient, when delivered
17 through mains.

18 **SECTION 220.** 77.54 (18) of the statutes is amended to read:

19 77.54 (18) When the sale, license, lease, or rental of a service or property,
20 including items and property under s. 77.52 (1) (b) and (c) and digital audiovisual
21 works, that was previously exempt or not taxable under this subchapter becomes
22 taxable, and the service or property is furnished under a written contract by which
23 the seller is unconditionally obligated to provide the service or property for the
24 amount fixed under the contract, the seller is exempt from sales or use tax on the
25 ~~gross receipts~~ sales price for services or property provided until the contract is

1 terminated, extended, renewed or modified. However, from the time the service or
2 property becomes taxable until the contract is terminated, extended, renewed or
3 modified the user is subject to use tax, measured by the sales purchase price, on the
4 service or property purchased under the contract.

5 **SECTION 221.** 77.54 (20) of the statutes is repealed.

6 **SECTION 222.** 77.54 (20m) of the statutes is repealed.

7 **SECTION 223.** 77.54 (20n) of the statutes is created to read:

8 77.54 (20n) (a) The sales price from the sale of and the storage, use, or other
9 consumption of food and food ingredients, except candy, soft drinks, dietary
10 supplements, and prepared food.

11 (b) The sales price from the sale of and the storage, use, or other consumption
12 of food and food ingredients, except soft drinks, sold by hospitals, sanatoriums,
13 nursing homes, retirement homes, community-based residential facilities, as
14 defined in s. 50.01 (1g), or day care centers registered under ch. 48, including
15 prepared food that is sold to the elderly or handicapped by persons providing mobile
16 meals on wheels. In this paragraph, "retirement home" means a nonprofit
17 residential facility where 3 or more unrelated adults or their spouses have their
18 principal residence and where support services, including meals from a common
19 kitchen, are available to residents.

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

24 1. An undergraduate student, a graduate student, or a student enrolled in a
25 professional school if the student is enrolled for credit at the public or private

1 institution of higher education and if the food and food ingredients are consumed by
2 the student.

3 2. A national football league team.

4 **SECTION 224.** 77.54 (20r) of the statutes is created to read:

5 77.54 (20r) The sales price from the sales of and the storage, use, or other
6 consumption of candy, soft drinks, dietary supplements, and prepared foods, and
7 disposable products that are transferred with such items, furnished for no
8 consideration by a restaurant to the restaurant's employee during the employee's
9 work hours.

10 **SECTION 225.** 77.54 (21) of the statutes is amended to read:

11 77.54 (21) The ~~gross receipts~~ sales price from the sales of and the storage, use
12 or other consumption of caskets and burial vaults for human remains.

13 **SECTION 226.** 77.54 (22) of the statutes is repealed.

14 **SECTION 227.** 77.54 (22b) of the statutes is created to read:

15 77.54 (22b) The sales price from the sale of and the storage, use, or other
16 consumption of durable medical equipment that is for use in a person's home,
17 mobility-enhancing equipment, and prosthetic devices, and accessories for such
18 equipment or devices, if the equipment or devices are used for a human being.

19 **SECTION 228.** 77.54 (23m) of the statutes is amended to read:

20 77.54 (23m) The ~~gross receipts~~ sales price from the sale, license, lease or rental
21 of or the storage, use or other consumption of motion picture film or tape, and motion
22 pictures or radio or television programs for listening, viewing, or broadcast, and
23 advertising materials related thereto, sold, licensed, leased or rented to a motion
24 picture theater or radio or television station.