

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

2 77.51 (25) "Vertical service" means an ancillary service that is provided with
3 one or more telecommunications services and allows customers to identify callers
4 and to manage multiple calls and call connections, including conference bridging
5 services.

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

7 77.51 (26) "Voice mail service" means an ancillary service that allows a
8 customer to store, send, or receive recorded messages, not including any vertical
9 service that the customer must have to use the voice mail service.

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

12 77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible
13 personal property, including accessories, components, attachments, parts, supplies
14 and materials, at retail a tax is imposed upon all retailers at the rate of 5% of the
15 ~~gross receipts~~ sales price from the sale, license, lease or rental of tangible personal
16 property, including accessories, components, attachments, parts, supplies and
17 materials, sold, leased or rented at retail in this state, as determined under s. 77.522.

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

19 77.52 (1) (b) For the privilege of selling at retail coins and stamps of the United
20 States that are sold or traded as collectors' items above their face value, a tax is
21 imposed on all retailers at the rate of 5 percent of the sales price from the sale of such
22 coins and stamps.

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

24 77.52 (1) (c) For the privilege of leasing property that is affixed to real property,
25 a tax is imposed on all retailers at the rate of 5 percent of the sales price from the lease

1 of such property, if the lessor has the right to remove the leased property upon breach
2 or termination of the lease agreement, unless the lessor of the leased property is also
3 the lessor of the real property to which the leased property is affixed.

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

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

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

11 77.52 (1b) All sales, licenses, leases, or rentals of tangible personal property
12 or items, property, or works under sub. (1) (b), (c), or (d) at retail in this state are
13 subject to the tax imposed under sub. (1) unless an exemption in this subchapter
14 applies.

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

16 77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing
17 the services described under par. (a) at retail in this state, as determined under s.
18 77.522, to consumers or users, regardless of whether the consumer or user has the
19 right of permanent use or less than the right of permanent use and regardless of
20 whether the service is conditioned on continued payment from the purchaser, a tax
21 is imposed upon all persons selling, licensing, performing or furnishing the services
22 at the rate of 5% of the ~~gross receipts~~ sales price from the sale, license, performance
23 or furnishing of the services.

24 **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:

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 or items,
17 property, or works under s. 77.52 (1) (b), (c), or (d), unless, at the time of that repair,
18 service, alteration, fitting, cleaning, painting, coating, towing, inspection, or
19 maintenance, a sale in this state of the type of property, item, or work repaired,
20 serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or maintained
21 would have been exempt to the customer from sales taxation under this subchapter,
22 other than the exempt sale of a motor vehicle or truck body to a nonresident under
23 s. 77.54 (5) (a) and other than nontaxable sales under s. ~~77.51 (14r)~~ 77.522 or unless
24 the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection,
25 or maintenance is provided under a contract that is subject to tax under subd. 13m.

1 The tax imposed under this subsection applies to the repair, service, alteration,
2 fitting, cleaning, painting, coating, towing, inspection, or maintenance of items listed
3 in par. (ag), regardless of whether the installation or application of tangible personal
4 property or items, property, or works under s. 77.52 (1) (b), (c), or (d) related to the
5 items is an addition to or a capital improvement of real property, except that the tax
6 imposed under this subsection does not apply to the original installation or the
7 complete replacement of an item listed in par. (ag), if that installation or replacement
8 is a real property construction activity under s. 77.51 (2).

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

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

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

19 77.52 (2) (a) 13m. The sale of contracts, including service contracts,
20 maintenance agreements, computer software maintenance contracts for prewritten
21 computer software, and warranties, that provide, in whole or in part, for the future
22 performance of or payment for the repair, service, alteration, fitting, cleaning,
23 painting, coating, towing, inspection, or maintenance of tangible personal property
24 or items, property, or works under s. 77.52 (1) (b), (c), or (d), unless the sale, license,
25 lease, or rental in this state of the property, items, or works to which the contract

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

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

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

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

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

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

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

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

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

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

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

1 be assumed or absorbed by the retailer or that it will not be added to the selling price
2 of the property or items, property, or works under s. 77.52 (1) (b), (c), or (d) sold or that
3 if added it, or any part thereof, will be refunded. Any person who violates this
4 subsection is guilty of a misdemeanor.

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

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

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

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

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

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

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

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

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

1 ^{and} upon the sale the commodity is not removed from the warehouse the sale of tangible
2 personal property, items, property, or works under sub. (1) (b), (c), or (d), and services
3 that are exempt under s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n), (21),
4 (22b), (31), (32), (35), (36), (37), (42), (44), (45), (46), (51), and (52).

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

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

9 1. The certificate is taken in good faith the seller obtains a fully completed exemption
10 certificate, or the information required to prove the exemption, from a person who

11 is engaged as a seller of tangible personal property or taxable services and who holds
12 the permit provided for in sub. (9) and who, at the time of purchasing purchaser no

13 later than 90 days after the date of the sale of the tangible personal property, items,
14 property, or works under sub. (1) (b), (c), or (d), or services, intends to sell it in the

15 regular course of operations or is unable to ascertain at the time of purchase whether
16 the property or service will be sold or will be used for some other purpose. (b) except

17 as provided in par. (am). The certificate under sub. (13) shall not relieve the seller
18 of the tax otherwise applicable if the seller fraudulently fails to collect sales tax,

19 solicits the purchaser to claim an unlawful exemption, or accepts an exemption
20 certificate from a purchaser who claims to be an entity that is not subject to the taxes

21 imposed under this subchapter, if the subject of the transaction sought to be covered
22 by the exemption certificate is received by the purchaser at a location operated by the

23 seller in this state and the exemption certificate clearly and affirmatively indicates
24 that the claimed exemption is not available in this state. The certificate referred to

25 in sub. (13) shall be signed by and bear the name and address of provide information

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

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

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

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

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

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

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

19 77.52 (15) If a purchaser who ~~gives a resale certificate~~ purchases tangible
20 personal property, ^{or} items, property, or works under s. 77.52 (1) (b), (c), or (d), or
21 taxable services without paying a sales tax or use tax on such purchase because such
22 property, items, works, or services were for resale makes any use of the property,
23 items, works, or services other than retention, demonstration or display while
24 holding it the property, items, works, or services for sale, lease or rental in the regular
25 course of the purchaser's operations, the use shall be taxable to the purchaser under

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

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

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

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

18 **77.52 (17m) (b) 6.** The applicant purchases enough tangible personal property
19 or items, property, or works under s. 77.52 (1) (b), (c), or (d) under circumstances that
20 make it difficult to determine whether the property, items, or works will be subject
21 to a tax under this subchapter.

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

23 **77.52 (19)** The department shall by rule provide for the efficient collection of
24 the taxes imposed by this subchapter on sales of property, items, property, or works
25 under sub. (1) (b), (c), or (d), or services by persons not regularly engaged in selling

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

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

8 77.52 (20) (a) Except as provided in par. (b), the entire sales price of a bundled
9 transaction is subject to the tax imposed under this subchapter.

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

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

19 77.52 (21) A person who provides a product that is not a distinct and
20 identifiable product because it is provided free of charge, as provided in s. 77.51 (3pf)
21 (b), is the consumer of that product and shall pay the tax imposed under this
22 subchapter on the purchase price of that product.

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

24 77.52 (22) With regard to transactions described in s. 77.51 (1f) (b), the service
25 provider is the consumer of the tangible personal property or items, property, or

1 works under sub. (1) (b), (c), or (d) and shall pay the tax imposed under this
2 subchapter on the purchase price of the property, items, or works.

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

4 77.52 (23) With regard to transactions described in s. 77.51 (1f) (c), the service
5 provider is the consumer of the service that is essential to the use or receipt of the
6 other service and shall pay the tax imposed under this subchapter on the purchase
7 price of the service that is essential to the use or receipt of the other service.

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

9 **77.522 Sourcing.** (1) GENERAL. (a) In this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

24 b. If the item sold is a digital good, or computer software delivered
25 electronically, the sale occurs at the location from which the digital good or computer

1 software was first available for transmission by the seller, not including any location
2 that merely provided the digital transfer of the product sold.

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

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

17 **(2) LEASE OR RENTAL.** (a) Except as provided in pars. (b) and (c), with regard
18 to the first or only payment on the lease or rental, the lease or rental of tangible
19 personal property or items, property, or works under s. 77.52 (1) (b), (c), or (d) occurs
20 at the location determined under sub. (1) (b). If the property, item, or work is moved
21 from the place where the property, item, or work was initially delivered, the
22 subsequent periodic payments on the lease or rental occur at the property's, item's,
23 or work's primary location as indicated by an address for the property, item, or work
24 that is provided by the lessee and that is available to the lessor in records that the
25 lessor maintains in the ordinary course of the lessor's business, if the use of such an

1 address does not constitute bad faith. The location of a lease or rental as determined
2 under this paragraph shall not be altered by any intermittent use of the property,
3 item, or work at different locations.

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

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

15 (d) A license of tangible personal property or items, property, or works under
16 s. 77.52 (1) (b), (c), or (d) shall be treated as a lease or rental of tangible personal
17 property under this subsection.

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

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

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

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

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

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

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

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

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

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

22 10. "Postpaid calling service" means a telecommunications service that is
23 obtained by paying for it on a call-by-call basis using a bankcard, travel card, credit
24 card, debit card, or similar method, or by charging it to a telephone number that is
25 not associated with the location where the telecommunications service originates or

1 terminates. "Postpaid calling service" includes a telecommunications service, not
2 including a prepaid wireless calling service, that would otherwise be a prepaid
3 calling service except that the service provided to the customer is not exclusively a
4 telecommunications service.

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

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

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

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

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

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

23 (e) The sale of a postpaid calling service occurs at the location where the signal
24 of the telecommunications service originates, as first identified by the seller's
25 telecommunications system or, if the signal is not transmitted by the seller's

1 telecommunications system, by information that the seller received from the seller's
2 service provider.

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

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

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

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

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

1 termination points in all jurisdictions where segments of the communications
2 channel are located.

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

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

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

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

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

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

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

20 77.59 **(9p)** (a) If a customer purchases a service that is subject to 4 USC 116
21 to 126, as amended by P.L. 106-252, and if the customer believes that the amount
22 of the tax assessed for the service under this subchapter or the place of primary use
23 or taxing jurisdiction assigned to the service is erroneous, the customer may request
24 that the service provider correct the alleged error by sending a written notice to the
25 service provider. The notice shall include a description of the alleged error, the street

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

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

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

19 77.524 (1) (ag) "Agent" means a person appointed by a seller to represent the
20 seller before the states that are signatories to the agreement, as defined in s. 77.65
21 (2) (a).

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

24 77.51 (1g) "Certified service provider" means an agent that is certified jointly
25 by the states that are signatories to the agreement, as defined in s. 77.65 (2) (a), and

1 that performs all of a seller's sales tax and use tax functions related to the seller's
2 retail sales, except that a certified service provider is not responsible for a retailer's
3 obligation to remit tax on the retailer's own purchases.

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

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

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

14 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
15 on the use or consumption in this state of taxable services under s. 77.52 purchased
16 from any retailer, at the rate of 5% of the sales purchase price of those services; on
17 the storage, use or other consumption in this state of tangible personal property and
18 items or property under s. 77.52 (1) (b) or (c) purchased from any retailer, at the rate
19 of 5% of the sales purchase price of that the property or items; on the storage, use,
20 or other consumption of works under s. 77.52 (1) (d) purchased from any retailer, if
21 the purchaser has the right to use the works on a permanent or less than permanent
22 basis and regardless of whether the purchaser is required to make continued
23 payments for such right, at the rate of 5 percent of the sales price of ~~works~~ ^{the}; and on
24 the storage, use or other consumption of tangible personal property or items,
25 property, or works under s. 77.52 (1) (b), (c), or (d) manufactured, processed or

1 otherwise altered, in or outside this state, by the person who stores, uses or consumes
2 it, from material purchased from any retailer, at the rate of 5% of the sales purchase
3 price of that material.

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

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

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

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

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

22 77.53 (3) Every retailer engaged in business in this state and making sales of
23 tangible personal property, ^{or} items, property, or works under s. 77.52 (1) (b), (c), or (d),
24 or taxable services ~~for delivery into this state or with knowledge directly or indirectly~~
25 ~~that the property or service is intended for storage, use or other consumption in that~~

1 are sourced to this state under s. 77.522, shall, at the time of making the sales ~~or, if~~
2 ~~the storage, use or other consumption of the tangible personal property or taxable~~
3 ~~service is not then taxable under this section, at the time the storage, use or other~~
4 ~~consumption becomes taxable~~, collect the tax from the purchaser and give to the
5 purchaser a receipt in the manner and form prescribed by the department.

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

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

8 **77.53 (9)** Every retailer selling tangible personal property, items, property, or
9 works under s. 77.52 (1) (b), (c), or (d), or taxable services for storage, use or other
10 consumption in this state shall register with the department and obtain a certificate
11 under s. 73.03 (50) and give the name and address of all agents operating in this
12 state, the location of all distribution or sales houses or offices or other places of
13 business in this state, the standard industrial code classification of each place of
14 business in this state and the other information that the department requires. Any
15 person who may register under this subsection may designate an agent, as defined
16 in s. 77.524 (1) (ag), to register with the department under this subsection, in the
17 manner prescribed by the department.

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

20 **77.53 (9m) (a)** Any person who is not otherwise required to collect any tax
21 imposed by this subchapter and who makes sales to persons within this state of
22 tangible personal property, items, property, or works under s. 77.52 (1) (b), (c), or (d),
23 or taxable services the use of which is subject to tax under this subchapter may
24 register with the department under the terms and conditions that the department
25 imposes and shall obtain a valid certificate under s. 73.03 (50) and thereby be

1 authorized and required to collect, report, and remit to the department the use tax
2 imposed by this subchapter.

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

4 77.53 (9m) (b) Any person who may register under par. (a) may designate an
5 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),
6 in the manner prescribed by the department.

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

8 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise
9 required to collect any tax imposed by this subchapter shall not be used as a factor
10 in determining whether the seller has nexus with this state for any tax at any time.

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

12 77.53 (10) For the purpose of the proper administration of this section and to
13 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that
14 tangible personal property, ^{or} items, property, or works under s. 77.52 (1) (b), (c), or (d),
15 or taxable services sold by any person for delivery in this state is sold for storage, use,
16 or other consumption in this state until the contrary is established. The burden of
17 proving the contrary is upon the person who makes the sale unless that person takes
18 from the purchaser ~~a~~ an electronic or paper certificate, in a manner prescribed by
19 department, to the effect that the property, ^{or} items, property, or works under s. 77.52
20 (1) (b), (c), or (d), or taxable service is purchased for resale, or otherwise exempt from
21 the tax, except that no certificate is required for sales of cattle, sheep, goats, and pigs
22 ~~that are sold at an animal market, as defined in s. 95.68 (1) (ag), and no certificate~~
23 ~~is required for sales of commodities, as defined in 7 USC 2, that are consigned for sale~~
24 ~~in a warehouse in or from which the commodity is deliverable on a contract for future~~
25 ~~delivery subject to the rules of a commodity market regulated by the U.S. commodity~~

1 futures trading commission if upon the sale the commodity is not removed from the
 2 warehouse the sale of tangible personal property, ^{and} items, property, or works under s.
 3 77.52 (1) (b), (c), or (d), and services that are exempt under s. 77.54 (7), (7m), (8), (10),
 4 (11), (14), (15), (17), (20n), (21), (22b), (31), (32), (35), (36), (37), (42), (44), (45), (46),
 5 (51), and (52).

6 SECTION 185. 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and
 7 amended to read:

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

1 certificate clearly and affirmatively indicates that the claimed exemption is not
2 available in this state. The certificate shall be signed by and bear the name and
3 address of provide information that identifies the purchaser and shall indicate the
4 number of the permit issued to the purchaser, the general character of tangible
5 personal property or taxable service sold by the purchaser and the basis for the
6 claimed exemption and a paper certificate shall be signed by the purchaser. The
7 certificate shall be substantially in the form that the department prescribes by rule.

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

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

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

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

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

23 77.53 (14) It is presumed that tangible personal property, ^{or} items, property, or
24 works under s. 77.52 (1) (b), (c), or (d), or taxable services shipped or brought to this
25 state by the purchaser were purchased from or serviced by a retailer.

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

2 77.53 (15) It is presumed that tangible personal property, items, property, or
3 works under s. 77.52 (1) (b), (c), or (d), or taxable services delivered outside this state
4 to ~~a purchaser known by the retailer to be~~ a resident of this state were purchased
5 from a retailer for storage, use, or other consumption in this state and stored, used,
6 or otherwise consumed in this state. ~~This presumption may be controverted by a~~
7 ~~written statement, signed by the purchaser or an authorized representative, and~~
8 ~~retained by the seller that the property or service was purchased for use at a~~
9 ~~designated point outside this state.~~ This presumption may also be controverted by
10 ~~other~~ evidence satisfactory to the department that the property, item, work, or
11 service was not purchased for storage, use, or other consumption in this state.

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

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

1 the commonwealth of Puerto Rico ~~or~~ but does not include the several territories
2 organized by congress.

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

4 77.53 (17) This section does not apply to tangible personal property or items,
5 property, or works under s. 77.52 (1) (b), (c), or (d) purchased outside this state, as
6 determined under s. 77.522, other than motor vehicles, boats, snowmobiles,
7 recreational vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain
8 vehicles and airplanes registered or titled or required to be registered or titled in this
9 state, which is brought into this state by a nondomiciliary for the person's own
10 storage, use or other consumption while temporarily within this state when such
11 property, item, or work is not stored, used or otherwise consumed in this state in the
12 conduct of a trade, occupation, business or profession or in the performance of
13 personal services for wages or fees.

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

15 77.53 (17m) This section does not apply to a boat purchased in a state
16 contiguous to this state, as determined under s. 77.522, by a person domiciled in that
17 state if the boat is berthed in this state's boundary waters adjacent to the state of the
18 domicile of the purchaser and if the transaction was an exempt occasional sale under
19 the laws of the state in which the purchase was made.

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

21 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

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

23 77.53 (18) This section does not apply to the storage, use or other consumption
24 in this state of household goods or items, property, or works under s. 77.52 (1) (b), (c),
25 or (d) for personal use or to aircraft, motor vehicles, boats, snowmobiles, mobile

1 homes, manufactured homes, as defined in s. 101.91 (2), recreational vehicles, as
2 defined in s. 340.01 (48r), trailers, semitrailers and all-terrain vehicles, for personal
3 use, purchased by a nondomiciliary of this state outside this state, as determined
4 under s. 77.522, 90 days or more before bringing the goods, items, works, or property
5 into this state in connection with a change of domicile to this state.

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

7 77.54 (1) The ~~gross receipts~~ sales price from the sale of and the storage, use or
8 other consumption in this state of tangible personal property, items, property, and
9 works under s. 77.52 (1) (b), (c), and (d), and services the ~~gross receipts~~ sales price
10 from the sale of which, or the storage, use or other consumption of which, this state
11 is prohibited from taxing under the constitution or laws of the United States or under
12 the constitution of this state.

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

14 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or
15 other consumption of tangible personal property becoming an ingredient or
16 component part of an article of tangible personal property or which is consumed or
17 destroyed or loses its identity in the manufacture of tangible personal property in
18 any form destined for sale, except as provided in sub. (30) (a) 6.

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

20 77.54 (2m) The ~~gross receipts~~ sales price from the sales of and the storage, use
21 or other consumption of tangible personal property or services that become an
22 ingredient or component of shoppers guides, newspapers or periodicals or that are
23 consumed or lose their identity in the manufacture of shoppers guides, newspapers
24 or periodicals, whether or not the shoppers guides, newspapers or periodicals are
25 transferred without charge to the recipient. In this subsection, "shoppers guides",

1 “newspapers” and “periodicals” have the meanings under sub. (15). The exemption
2 under this subdivision does not apply to advertising supplements that are not
3 newspapers.

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

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

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

20 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the
21 storage, use or other consumption of the following items if they are used exclusively
22 by the purchaser or user in the business of farming; including dairy farming,
23 agriculture, horticulture, floriculture, silviculture, and custom farming services:

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

works

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

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

8 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
9 use or other consumption of:

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

11 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
12 use or other consumption of:

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

14 77.54 (7m) Occasional sales of tangible personal property, items, property, or
15 works under s. 77.52 (1) (b), (c), and (d), or services, including admissions or tickets
16 to an event; by a neighborhood association, church, civic group, garden club, social
17 club or similar nonprofit organization; not involving entertainment for which
18 payment in the aggregate exceeds \$500 for performing or as reimbursement of
19 expenses unless access to the event may be obtained without payment of a direct or
20 indirect admission fee; conducted by the organization if the organization is not
21 engaged in a trade or business and is not required to have a seller's permit. For
22 purposes of this subsection, an organization is engaged in a trade or business and is
23 required to have a seller's permit if its sales of tangible personal property, items,
24 property, and works under s. 77.52 (1) (b), (c), and (d), and services, not including
25 sales of tickets to events, and its events occur on more than 20 days during the year,

and

1 unless its receipts do not exceed \$25,000 during the year. The exemption under this
2 subsection does not apply to ~~gross receipts~~ the sales price from the sale of bingo
3 supplies to players or to the sale, rental or use of regular bingo cards, extra regular
4 cards and special bingo cards.

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

6 77.54 (8) Charges for ~~interest, financing or insurance, not including contracts~~
7 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the
8 invoice given by the seller to the purchaser.

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

10 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
11 public and private elementary and secondary school activities, where the entire net
12 proceeds therefrom are expended for educational, religious or charitable purposes.

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

14 77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage
15 by, use by or other consumption of tangible personal property, ~~items, property, and~~
16 works under s. 77.52 (1) (b), (c), and (d), and taxable services by: *and*

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

18 77.54 (10) The ~~gross receipts~~ sales price from the sale of all admission fees,
19 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees
20 to any museum operated by a nonprofit corporation under a lease agreement with
21 the state historical society.

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

23 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
24 or other consumption in this state of motor vehicle fuel, general aviation fuel or
25 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or

1 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
2 in operating a motor vehicle upon the public highways.

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

4 77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use
5 or other consumption in this state of rail freight or passenger cars, locomotives or
6 other rolling stock used in railroad operations, or accessories, attachments, parts,
7 lubricants or fuel therefor.

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

9 77.54 (13) The ~~gross receipts~~ sales price from the sales of and the storage, use
10 or other consumption in this state of commercial vessels and barges of 50-ton burden
11 or over primarily engaged in interstate or foreign commerce or commercial fishing,
12 and the accessories, attachments, parts and fuel therefor.

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

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

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

18 77.54 (14) (a) Prescribed for the treatment of a human being by a person
19 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by
20 a registered pharmacist in accordance with law.

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

22 77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist
23 to a patient who is a human being for treatment of the patient.

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

1 77.54 (14) (f) (intro.) Furnished without charge to any of the following if the
2 medicine drug may not be dispensed without a prescription:

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

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

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

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

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

24 77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use
25 or other consumption of fire trucks and fire fighting equipment, including

1 accessories, attachments, parts and supplies therefor, sold to volunteer fire
2 departments.

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

4 77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use
5 or other consumption of water, that is not food and food ingredient, when delivered
6 through mains.

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

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

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

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

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

22 77.54 (20n) (a) The sales price from the sale of and the storage, use, or other
23 consumption of food and food ingredients, except candy, soft drinks, dietary
24 supplements, and prepared food.

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

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

14 1. An undergraduate student, a graduate student, or a student enrolled in a
15 professional school if the student is enrolled for credit at the public or private
16 institution of higher education and if the food and food ingredients are consumed by
17 the student.

18 2. A national football league team.

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

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

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

1 77.54 (21) The ~~gross receipts~~ sales price from the sales of and the storage, use
2 or other consumption of caskets and burial vaults for human remains.

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

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

5 77.54 (22b) The sales price from the sale of and the storage, use, or other
6 consumption of durable medical equipment that is for use in a person's home,
7 mobility-enhancing equipment, and prosthetic devices, and accessories for such
8 equipment or devices, if the equipment or devices are used for a human being.

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

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

15 **SECTION 229.** 77.54 (25) of the statutes, as affected by 2007 Wisconsin Act 20,
16 is amended to read:

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

23 **SECTION 230.** 77.54 (25m) of the statutes, as created by 2007 Wisconsin Act 20,
24 is amended to read:

1 77.54 (25m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
2 or other consumption of catalogs, and the envelopes in which the catalogs are mailed,
3 that are designed to advertise and promote the sale of merchandise or to advertise
4 the services of individual business firms.

5 **SECTION 231.** 77.54 (26) of the statutes is amended to read:

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

22 **SECTION 232.** 77.54 (26m) of the statutes is amended to read:

23 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use
24 or other consumption of waste reduction or recycling machinery and equipment,
25 including parts therefor, exclusively and directly used for waste reduction or

1 recycling activities which reduce the amount of solid waste generated, reuse solid
2 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
3 The exemption applies even though an economically useful end product results from
4 the use of the machinery and equipment. For the purposes of this subsection, "solid
5 waste" means garbage, refuse, sludge or other materials or articles, whether these
6 materials or articles are discarded or purchased, including solid, semisolid, liquid or
7 contained gaseous materials or articles resulting from industrial, commercial,
8 mining or agricultural operations or from domestic use or from public service
9 activities.

10 **SECTION 233.** 77.54 (27) of the statutes is amended to read:

11 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for
12 artificial insemination of livestock.

13 **SECTION 234.** 77.54 (28) of the statutes is amended to read:

14 77.54 (28) The ~~gross receipts~~ sales price from the sale of and the storage, use
15 or other consumption to or by the ultimate consumer of ~~apparatus or equipment for~~
16 ~~the injection of insulin or the treatment of diabetes and~~ supplies used to determine
17 blood sugar level.

18 **SECTION 235.** 77.54 (29) of the statutes is amended to read:

19 77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use
20 or other consumption of equipment used in the production of maple syrup.

21 **SECTION 236.** 77.54 (30) (a) (intro.) of the statutes is amended to read:

22 77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

23 **SECTION 237.** 77.54 (30) (c) of the statutes is amended to read:

24 77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this
25 subsection and partly for a use which is not exempt under this subsection, no tax

1 shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the
2 percentage of the fuel or electricity which is used for an exempt use, as specified in
3 an exemption certificate provided by the purchaser to the seller.

4 **SECTION 238.** 77.54 (31) of the statutes is amended to read:

5 77.54 (31) The ~~gross receipts~~ sales price from the sale of and the storage, use
6 or other consumption in this state, but not the lease or rental, of used mobile homes,
7 as defined in s. 101.91 (10), and used manufactured homes, as defined in s. 101.91
8 (12).

9 **SECTION 239.** 77.54 (32) of the statutes is amended to read:

10 77.54 (32) The ~~gross receipts~~ sales price from charges, including charges for a
11 search, imposed by an authority, as defined in s. 19.32 (1), for copies of a public record
12 that a person may examine and use under s. 16.61 (12) or for copies of a record under
13 s. 19.35 (1).

14 **SECTION 240.** 77.54 (33) of the statutes is amended to read:

15 77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or
16 other consumption of ~~medicines~~ drugs used on farm livestock, not including
17 workstock.

18 **SECTION 241.** 77.54 (35) of the statutes is amended to read:

19 77.54 (35) The ~~gross receipts~~ sales price from the sales of tangible personal
20 property, items, property, or works under s. 77.52 (1) (b), (c), or (d), tickets, or
21 admissions by any baseball team affiliated with the Wisconsin Department of
22 American Legion baseball.

23 **SECTION 242.** 77.54 (36) of the statutes is amended to read:

24 77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period
25 of one month or more of a mobile home, as defined in s. 101.91 (10), or a manufactured

1 home, as defined in s. 101.91 (2), that is used as a residence. In this subsection, "one
2 month" means a calendar month or 30 days, whichever is less, counting the first day
3 of the rental and not counting the last day of the rental.

4 **SECTION 243.** 77.54 (37) of the statutes is amended to read:

5 77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.
6 256.35 (3) and the surcharge established by rule by the public service commission
7 under s. 256.35 (3m) (f) for customers of wireless providers, as defined in s. 256.35
8 (3m) (a) 6.

9 **SECTION 244.** 77.54 (38) of the statutes is amended to read:

10 77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use
11 or other consumption of snowmobile trail groomers and attachments for them that
12 are purchased, stored, used or consumed by a snowmobile club that meets at least
13 3 times a year, that has at least 10 members, that promotes snowmobiling and that
14 participates in the department of natural resources' snowmobile program under s.
15 350.12 (4) (b).

16 **SECTION 245.** 77.54 (39) of the statutes is amended to read:

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

24 **SECTION 246.** 77.54 (40) of the statutes is repealed.

25 **SECTION 247.** 77.54 (41) of the statutes is amended to read:

1 77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,
2 supplies and equipment to; and the storage, use or other consumption of those kinds
3 of property by; owners, contractors, subcontractors or builders if that property is
4 acquired solely for or used solely in, the construction, renovation or development of
5 property that would be exempt under s. 70.11 (36).

6 **SECTION 248.** 77.54 (42) of the statutes is amended to read:

7 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use
8 or other consumption of animal identification tags provided under s. 93.06 (1h) and
9 standard samples provided under s. 93.06 (1s).

10 **SECTION 249.** 77.54 (43) of the statutes is amended to read:

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

15 **SECTION 250.** 77.54 (44) of the statutes is amended to read:

16 77.54 (44) The ~~gross receipts~~ sales price from the collection of low-income
17 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

18 **SECTION 251.** 77.54 (45) of the statutes is amended to read:

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

1 to the person, to purchase admission to at least 3 professional football games in this
2 state during one football season.

3 **SECTION 252.** 77.54 (46) of the statutes is amended to read:

4 77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,
5 or other consumption of the U.S. flag or the state flag. This subsection does not apply
6 to a representation of the U.S. flag or the state flag.

7 **SECTION 253.** 77.54 (46m) of the statutes is amended to read:

8 77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
9 or other consumption of telecommunications services, if the telecommunications
10 services are obtained by using the rights to purchase telecommunications services,
11 including purchasing reauthorization numbers, by paying in advance and by using
12 an access number and authorization code; and if the tax imposed under s. 77.52 or
13 77.53 was previously paid on the sale or purchase of such rights.

14 **SECTION 254.** 77.54 (47) (intro.) of the statutes is amended to read:

15 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
16 use, or other consumption of all of the following:

17 **SECTION 255.** 77.54 (47) (b) 1. of the statutes is amended to read:

18 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
19 s. 77.52 on ~~its gross receipts~~ the sales price from charges for shooting at the facility.

20 **SECTION 256.** 77.54 (47) (b) 2. of the statutes is amended to read:

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