

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, or 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, or items, property, or
11 works 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, or 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 upon the sale the commodity is not removed from the warehouse the sale of tangible
2 personal property, and items, property, or works under sub. (1) (b), (c), or (d), and
3 services that are exempt under s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n),
4 (21), (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, or 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, or 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, or 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 audiovisual works, whichever comes first. "Receive"
13 does not include a shipping company taking possession of tangible personal property
14 or items or 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.

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

INDEXED
61-12

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 the works; and
24 on 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)
13 (b), (c), or (d), or taxable services purchased from a retailer is liable for the tax
14 imposed by this section. The person's liability is not extinguished until the tax has
15 been paid to this state, but a receipt with the tax separately stated from a retailer
16 engaged in business in this state or from a retailer who is authorized by the
17 department, under such rules as it prescribes, to collect the tax and who is regarded
18 as a retailer engaged in business in this state for purposes of the tax imposed by this
19 section given to the purchaser under sub. (3) relieves the purchaser from further
20 liability for the tax to 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
24 (d), or taxable services ~~for delivery into this state or with knowledge directly or~~
25 ~~indirectly that the property or service is intended for storage, use or other~~

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

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

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

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

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

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

1 imposes and shall obtain a valid certificate under s. 73.03 (50) and thereby be
2 authorized and required to collect, report, and remit to the department the use tax
3 imposed by this subchapter.

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

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

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

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

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

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

1 a contract for future delivery subject to the rules of a commodity market regulated
2 by the U.S. commodity futures trading commission if upon the sale the commodity
3 is not removed from the warehouse the sale of tangible personal property, or items,
4 property, or works under s. 77.52 (1) (b), (c), or (d), and services that are exempt under
5 s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n), (21), (22b), (31), (32), (35), (36),
6 (37), (42), (44), (45), (46), (51), and (52).

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

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

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

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

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

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

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

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

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

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

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

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

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

1 mail is delivered to the ultimate recipients. In this subsection “sales tax” includes
2 a use or excise tax imposed on the use of tangible personal property, or items,
3 property, or works under s. 77.52 (1) (b), (c), or (d), or taxable service by the state in
4 which the sale occurred and “state” includes the District of Columbia ~~but does not~~
5 ~~include~~ and the commonwealth of Puerto Rico ~~or~~ but does not include the several
6 territories organized by congress.

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

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

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

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

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

25 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

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

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

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

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

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

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

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

24 77.54 (2m) The ~~gross receipts~~ sales price from the sales of and the storage, use
25 or other consumption of tangible personal property or services that become an

1 ingredient or component of shoppers guides, newspapers or periodicals or that are
2 consumed or lose their identity in the manufacture of shoppers guides, newspapers
3 or periodicals, whether or not the shoppers guides, newspapers or periodicals are
4 transferred without charge to the recipient. In this subsection, “shoppers guides”,
5 “newspapers” and “periodicals” have the meanings under sub. (15). The exemption
6 under this subdivision does not apply to advertising supplements that are not
7 newspapers.

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

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

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

24 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the
25 storage, use or other consumption of the following items if they are used exclusively

1 by the purchaser or user in the business of farming; including dairy farming,
2 agriculture, horticulture, floriculture, silviculture, and custom farming services:

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

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

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

11 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
12 use or other consumption of:

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

14 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
15 use or other consumption of:

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

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

1 required to have a seller's permit if its sales of tangible personal property, and items,
2 property, and works under s. 77.52 (1) (b), (c), and (d), and services, not including
3 sales of tickets to events, and its events occur on more than 20 days during the year,
4 unless its receipts do not exceed \$25,000 during the year. The exemption under this
5 subsection does not apply to ~~gross receipts~~ the sales price from the sale of bingo
6 supplies to players or to the sale, rental or use of regular bingo cards, extra regular
7 cards and special bingo cards.

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

9 77.54 (8) Charges for ~~interest, financing or insurance, not including contracts~~
10 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the
11 invoice given by the seller to the purchaser.

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

13 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
14 public and private elementary and secondary school activities, where the entire net
15 proceeds therefrom are expended for educational, religious or charitable purposes.

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

17 77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage
18 by, use by or other consumption of tangible personal property, and items, property,
19 and works under s. 77.52 (1) (b), (c), and (d), and taxable services by:

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

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

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

1 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
2 or other consumption in this state of motor vehicle fuel, general aviation fuel or
3 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or
4 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
5 in operating a motor vehicle upon the public highways.

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

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

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

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

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

17 77.54 (14) (intro.) The ~~gross receipts~~ sales price from the sales of and the
18 storage, use, or other consumption in this state of ~~medieines~~ drugs that are any of
19 the following:

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

21 77.54 (14) (a) Prescribed for the treatment of a human being by a person
22 authorized to prescribe the ~~medieines~~ drugs, and dispensed on prescription filled by
23 a registered pharmacist in accordance with law.

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

1 77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist
2 to a patient who is a human being for treatment of the patient.

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

4 77.54 (14) (f) (intro.) Furnished without charge to any of the following if the
5 medicine drug may not be dispensed without a prescription:

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

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

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

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

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

2 77.54 (16) The ~~gross receipts~~ sales price from the sale of and the storage, use
3 or other consumption of fire trucks and fire fighting equipment, including
4 accessories, attachments, parts and supplies therefor, sold to volunteer fire
5 departments.

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

7 77.54 (17) The ~~gross receipts~~ sales price from the sales of and the storage, use
8 or other consumption of water, that is not food and food ingredient, when delivered
9 through mains.

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

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

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

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

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

1 77.54 (20n) (a) The sales price from the sale of and the storage, use, or other
2 consumption of food and food ingredients, except candy, soft drinks, dietary
3 supplements, and prepared food.

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

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

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

21 2. A national football league team.

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

23 77.54 (20r) The sales price from the sales of and the storage, use, or other
24 consumption of candy, soft drinks, dietary supplements, and prepared foods, and
25 disposable products that are transferred with such items, furnished for no

1 consideration by a restaurant to the restaurant's employee during the employee's
2 work hours.

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

4 77.54 (21) The ~~gross receipts~~ sales price from the sales of and the storage, use
5 or other consumption of caskets and burial vaults for human remains.

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

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

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

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

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

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

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

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

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

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

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

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

1 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use
2 or other consumption of waste reduction or recycling machinery and equipment,
3 including parts therefor, exclusively and directly used for waste reduction or
4 recycling activities which reduce the amount of solid waste generated, reuse solid
5 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
6 The exemption applies even though an economically useful end product results from
7 the use of the machinery and equipment. For the purposes of this subsection, "solid
8 waste" means garbage, refuse, sludge or other materials or articles, whether these
9 materials or articles are discarded or purchased, including solid, semisolid, liquid or
10 contained gaseous materials or articles resulting from industrial, commercial,
11 mining or agricultural operations or from domestic use or from public service
12 activities.

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

14 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for
15 artificial insemination of livestock.

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

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

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

22 77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use
23 or other consumption of equipment used in the production of maple syrup.

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

25 77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

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

2 77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this
3 subsection and partly for a use which is not exempt under this subsection, no tax
4 shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the
5 percentage of the fuel or electricity which is used for an exempt use, as specified in
6 an exemption certificate provided by the purchaser to the seller.

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

8 77.54 (31) The ~~gross receipts~~ sales price from the sale of and the storage, use
9 or other consumption in this state, but not the lease or rental, of used mobile homes,
10 as defined in s. 101.91 (10), and used manufactured homes, as defined in s. 101.91
11 (12).

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

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

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

18 77.54 (33) The ~~gross receipts~~ sales price from sales of and the storage, use or
19 other consumption of ~~medicines~~ drugs used on farm livestock, not including
20 workstock.

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

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