

1           **SECTION 112.** 77.51 (14g) (e) of the statutes is amended to read:

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

5           **SECTION 113.** 77.51 (14g) (em) of the statutes is amended to read:

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

9           **SECTION 114.** 77.51 (14g) (f) of the statutes is amended to read:

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

14           **SECTION 115.** 77.51 (14g) (g) of the statutes is amended to read:

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

19           **SECTION 116.** 77.51 (14g) (h) of the statutes is amended to read:

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

1 in a corporation or other entity are regarded as having the real or ultimate ownership  
2 of the property, items, or goods of the corporation or other entity. In this paragraph,  
3 “substantially similar” means 80% or more of ownership.

4 **SECTION 117.** 77.51 (14r) of the statutes is repealed.

5 **SECTION 118.** 77.51 (15) of the statutes is repealed.

6 **SECTION 119.** 77.51 (15a) of the statutes is created to read:

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

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

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

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

1 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or  
2 (d) or service.

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

9 **SECTION 120.** 77.51 (15b) of the statutes is created to read:

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

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

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

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

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

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

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

6 5. Installation charges.

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

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

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

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

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

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

1 property, or good traded, except that this subdivision does not apply to any  
2 transaction to which subd. 7. or 8. applies.

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

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

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

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

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

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

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

4           4. One of the following also applies:

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

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

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

15           **SECTION 121.** 77.51 (17) (intro.) of the statutes is amended to read:

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

22           **SECTION 122.** 77.51 (17m) of the statutes is repealed and recreated to read:

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

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

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

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

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

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

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

16 **SECTION 124.** 77.51 (17x) of the statutes is created to read:

17 77.51 (17x) "Specified digital goods" means digital audio works, digital  
18 audiovisual works, and digital books. For purposes of this subchapter, the sale of or  
19 the storage, use, or other consumption of a digital code is treated the same as the sale  
20 of or the storage, use, or other consumption of any specified digital goods for which  
21 the digital code relates.

22 **SECTION 125.** 77.51 (18) of the statutes is amended to read:

23 77.51 (18) "Storage" includes any keeping or retention in this state of tangible  
24 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d)

1 purchased from a retailer for any purpose except sale in the regular course of  
2 business.

3 **SECTION 126.** 77.51 (20) of the statutes is amended to read:

4 77.51 (20) "Tangible personal property" means all tangible personal property  
5 of every kind and description and includes electricity, natural gas, steam and water  
6 and also leased property affixed to realty if the lessor has the right to remove the  
7 property upon breach or termination of the lease agreement, unless the lessor of the  
8 property is also the lessor of the realty to which the property is affixed. "Tangible  
9 personal property" also includes coins and stamps of the United States sold or traded  
10 as collectors' items above their face value and ~~computer programs except custom~~  
11 ~~computer programs~~ prewritten computer software, regardless of how it is delivered  
12 to the purchaser.

13 **SECTION 127.** 77.51 (20) of the statutes, as affected by 2009 Wisconsin Act ....  
14 (this act), is repealed and recreated to read:

15 77.51 (20) "Tangible personal property" means personal property that can be  
16 seen, weighed, measured, felt, or touched, or that is in any other manner perceptible  
17 to the senses, and includes electricity, gas, steam, water, and prewritten computer  
18 software.

19 **SECTION 128.** 77.51 (21) of the statutes is amended to read:

20 77.51 (21) "Taxpayer" means the person who is required to pay, collect, or  
21 account for or who is otherwise directly interested in the taxes imposed by this  
22 subchapter, including a certified service provider.

23 **SECTION 129.** 77.51 (21m) of the statutes is amended to read:

24 77.51 (21m) "Telecommunications and Internet access services" means  
25 sending messages and information transmitted through the use of local, toll and



1 wide-area telephone service; channel services; telegraph services; teletypewriter;  
2 computer exchange services; cellular mobile telecommunications service; specialized  
3 mobile radio; stationary two-way radio; paging service; or any other form of mobile  
4 and portable one-way or two-way communications; or any other transmission of  
5 messages or information by electronic or similar means between or among points by  
6 wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities.  
7 “Telecommunications and Internet access services” does not include sending collect  
8 telecommunications that are received outside of the state.

9       **SECTION 130.** 77.51 (21m) of the statutes, as affected by 2009 Wisconsin Act ....  
10 (this act), is renumbered 77.51 (5f) and amended to read:

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

22       **SECTION 131.** 77.51 (21n) of the statutes is created to read:

23       **77.51 (21n)** “Telecommunications services” means electronically transmitting,  
24 conveying, or routing voice, data, audio, video, or other information or signals to a  
25 point or between or among points. “Telecommunications services” includes the

1 transmission, conveyance, or routing of such information or signals in which  
2 computer processing applications are used to act on the content's form, code, or  
3 protocol for transmission, conveyance, or routing purposes, regardless of whether  
4 the service is referred to as a voice over Internet protocol service or classified by the  
5 federal communications commission as an enhanced or value-added nonvoice data  
6 service. "Telecommunications services" does not include any of the following:

7 (a) Data processing and information services that allow data to be generated,  
8 acquired, stored, processed, or retrieved and delivered to a purchaser by an electronic  
9 transmission, if the purchaser's primary purpose for the underlying transaction is  
10 the processed data.

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

12 (c) Tangible personal property.

13 (d) Advertising, including directory advertising.

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

15 (f) Internet access services.

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

21 (h) Ancillary services.

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

24 **SECTION 132.** 77.51 (21p) of the statutes is created to read:

1           77.51 (21p) "Tobacco" means cigarettes, cigars, chewing tobacco, pipe tobacco,  
2 and any other item that contains tobacco.

3           **SECTION 133.** 77.51 (21q) of the statutes is created to read:

4           77.51 (21q) "Transferred electronically" means accessed or obtained by the  
5 purchaser by means other than tangible storage media.

6           **SECTION 134.** 77.51 (22) (a) of the statutes is amended to read:

7           77.51 (22) (a) "Use" includes the exercise of any right or power over tangible  
8 personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or  
9 taxable services incident to the ownership, possession or enjoyment of the property,  
10 items, goods, or services, or the results produced by the services, including  
11 installation or affixation to real property and including the possession of, or the  
12 exercise of any right or power over tangible personal property, or items, property, or  
13 goods under s. 77.52 (1) (b), (c), or (d), by a lessee under a lease, except that "use" does  
14 not include the activities under sub. (18).

15           **SECTION 135.** 77.51 (22) (b) of the statutes is amended to read:

16           77.51 (22) (b) In this subsection "enjoyment" includes a purchaser's right to  
17 direct the disposition of property or items, property, or goods under s. 77.52 (1) (b),  
18 (c), or (d), whether or not the purchaser has possession of the property, items, or  
19 goods. "Enjoyment" also includes, but is not limited to, having shipped into this state  
20 by an out-of-state supplier printed material which is designed to promote the sale  
21 of property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services,  
22 or which is otherwise related to the business activities, of the purchaser of the  
23 printed material or printing service.

24           **SECTION 136.** 77.51 (22) (bm) of the statutes is created to read:

1           77.51 (22) (bm) In this subsection, “exercise of any right or power over tangible  
2 personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or  
3 taxable services” includes distributing, selecting recipients, determining mailing  
4 schedules, or otherwise directing the distribution, dissemination, or disposal of  
5 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or  
6 (d), or taxable services, regardless of whether the purchaser of such property, items,  
7 goods, or services owns or physically possesses, in this state, the property, items,  
8 goods, or services.

9           **SECTION 137.** 77.51 (24) of the statutes is created to read:

10           77.51 (24) “Value-added nonvoice data service” means a service in which  
11 computer processing applications are used to act on the form, content, code, or  
12 protocol of the data provided by the service and are used primarily for a purpose other  
13 than for transmitting, conveying, or routing data.

14           **SECTION 138.** 77.51 (25) of the statutes is created to read:

15           77.51 (25) “Vertical service” means an ancillary service that is provided with  
16 one or more telecommunications services and allows customers to identify callers  
17 and to manage multiple calls and call connections, including conference bridging  
18 services.

19           **SECTION 139.** 77.51 (26) of the statutes is created to read:

20           77.51 (26) “Voice mail service” means an ancillary service that allows a  
21 customer to store, send, or receive recorded messages, not including any vertical  
22 service that the customer must have to use the voice mail service.

23           **SECTION 140.** 77.52 (1) of the statutes is renumbered 77.52 (1) (a) and amended  
24 to read:

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

7           **SECTION 141.** 77.52 (1) (b) of the statutes is created to read:

8           77.52 (1) (b) For the privilege of selling at retail coins and stamps of the United  
9 States that are sold or traded as collectors' items above their face value, a tax is  
10 imposed on all retailers at the rate of 5 percent of the sales price from the sale of such  
11 coins and stamps.

12           **SECTION 142.** 77.52 (1) (c) of the statutes is created to read:

13           77.52 (1) (c) For the privilege of leasing property that is affixed to real property,  
14 a tax is imposed on all retailers at the rate of 5 percent of the sales price from the lease  
15 of such property, if the lessor has the right to remove the leased property upon breach  
16 or termination of the lease agreement, unless the lessor of the leased property is also  
17 the lessor of the real property to which the leased property is affixed.

18           **SECTION 143.** 77.52 (1) (d) of the statutes is created to read:

19           77.52 (1) (d) A tax is imposed on all retailers at the rate of 5 percent of the sales  
20 price from the sale, lease, license, or rental of specified digital goods and additional  
21 digital goods at retail for the right to use the specified digital goods or additional  
22 digital goods on a permanent or less than permanent basis and regardless of whether  
23 the purchaser is required to make continued payments for such right.

24           **SECTION 144.** 77.52 (1b) of the statutes is repealed and recreated to read:

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

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

6           77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing  
7 the services described under par. (a) at retail in this state, as determined under s.  
8 77.522, to consumers or users, regardless of whether the consumer or user has the  
9 right of permanent use or less than the right of permanent use and regardless of  
10 whether the service is conditioned on continued payment from the purchaser, a tax  
11 is imposed upon all persons selling, licensing, performing or furnishing the services  
12 at the rate of 5% of the ~~gross receipts~~ sales price from the sale, license, performance  
13 or furnishing of the services.

14           **SECTION 146.** 77.52 (2) (a) 5. a. of the statutes is amended to read:

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

24           **SECTION 147.** 77.52 (2) (a) 5. a. of the statutes, as affected by 2009 Wisconsin  
25 Act ... (this act), 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 148.** 77.52 (2) (a) 5. am. of the statutes is created to read:

11           77.52 (2) (a) 5. am. The sale of intrastate, interstate, and international  
12 telecommunications services, except interstate 800 services.

13           **SECTION 149.** 77.52 (2) (a) 5. b. of the statutes is repealed.

14           **SECTION 150.** 77.52 (2) (a) 5. c. of the statutes is created to read:

15           77.52 (2) (a) 5. c. The sale of ancillary services, except detailed  
16 telecommunications billing services.

17           **SECTION 151.** 77.52 (2) (a) 5m. of the statutes is amended to read:

18           77.52 (2) (a) 5m. The sale of services that consist of recording  
19 telecommunications messages and transmitting them to the purchaser of the service  
20 or at that purchaser's direction, but not including those services if they are merely  
21 ~~an~~ that are taxable under subd. 5. or services that are incidental, as defined in s.  
22 77.51 (5), element of to another service that is not taxable under this subchapter and  
23 sold to that the purchaser of the incidental service and is not taxable under this  
24 subchapter.

25           **SECTION 152.** 77.52 (2) (a) 10. of the statutes is amended to read:

1           77.52 (2) (a) 10. Except for services provided by veterinarians and except for  
2 installing or applying tangible personal property that, subject to par. (ag), when  
3 installed or applied, will constitute an addition or capital improvement of real  
4 property, the repair, service, alteration, fitting, cleaning, painting, coating, towing,  
5 inspection, and maintenance of all items of tangible personal property or items,  
6 property, or goods under s. 77.52 (1) (b), (c), or (d), unless, at the time of that repair,  
7 service, alteration, fitting, cleaning, painting, coating, towing, inspection, or  
8 maintenance, a sale in this state of the type of property, item, or good repaired,  
9 serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or maintained  
10 would have been exempt to the customer from sales taxation under this subchapter,  
11 other than the exempt sale of a motor vehicle or truck body to a nonresident under  
12 s. 77.54 (5) (a) and other than nontaxable sales under s. ~~77.51 (14r)~~ 77.522 or unless  
13 the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection,  
14 or maintenance is provided under a contract that is subject to tax under subd. 13m.  
15 The tax imposed under this subsection applies to the repair, service, alteration,  
16 fitting, cleaning, painting, coating, towing, inspection, or maintenance of items listed  
17 in par. (ag), regardless of whether the installation or application of tangible personal  
18 property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) related to the  
19 items is an addition to or a capital improvement of real property, except that the tax  
20 imposed under this subsection does not apply to the original installation or the  
21 complete replacement of an item listed in par. (ag), if that installation or replacement  
22 is a real property construction activity under s. 77.51 (2).

23           **SECTION 153.** 77.52 (2) (a) 11. of the statutes, as affected by 2007 Wisconsin Act  
24 20, is amended to read:



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

8           **SECTION 154.** 77.52 (2) (a) 13m. of the statutes is created to read:

9           77.52 (2) (a) 13m. The sale of contracts, including service contracts,  
10 maintenance agreements, computer software maintenance contracts for prewritten  
11 computer software, and warranties, that provide, in whole or in part, for the future  
12 performance of or payment for the repair, service, alteration, fitting, cleaning,  
13 painting, coating, towing, inspection, or maintenance of tangible personal property  
14 or items, property, or goods under s. 77.52 (1) (b), (c), or (d), unless the sale, license,  
15 lease, or rental in this state of the property, items, or goods to which the contract  
16 relates is or was exempt, to the purchaser of the contract, from taxation under this  
17 subchapter.

18           **SECTION 155.** 77.52 (2m) (a) of the statutes is amended to read:

19           77.52 (2m) (a) With respect to the services subject to tax under sub. (2), no part  
20 of the charge for the service may be deemed a sale or rental of tangible personal  
21 property or items, property, or goods under sub. (1) (b), (c), or (d) if the property, items,  
22 or goods transferred by the service provider is are incidental to the selling,  
23 performing or furnishing of the service, except as provided in par. (b).

24           **SECTION 156.** 77.52 (2m) (b) of the statutes is amended to read:

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

7           **SECTION 157.** 77.52 (2n) of the statutes is repealed and recreated to read:

8           77.52 (2n) The selling, licensing, performing, or furnishing of the services  
9           described under sub. (2) (a) at retail in this state, as determined under s. 77.522, is  
10          subject to the tax imposed under sub. (2) unless an exemption in this subchapter  
11          applies.

12          **SECTION 158.** 77.52 (3m) of the statutes is repealed.

13          **SECTION 159.** 77.52 (3n) of the statutes is repealed.

14          **SECTION 160.** 77.52 (4) of the statutes is amended to read:

15          77.52 (4) It is unlawful for any retailer to advertise or hold out or state to the  
16          public or to any customer, directly or indirectly, that the tax or any part thereof will  
17          be assumed or absorbed by the retailer or that it will not be added to the selling price  
18          of the property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) sold or that  
19          if added it, or any part thereof, will be refunded. Any person who violates this  
20          subsection is guilty of a misdemeanor.

21          **SECTION 161.** 77.52 (6) of the statutes is repealed.

22          **SECTION 162.** 77.52 (7) of the statutes is amended to read:

23          77.52 (7) Every person desiring to operate as a seller within this state who  
24          holds a valid certificate under s. 73.03 (50) shall file with the department an  
25          application for a permit for each place of operations. Every application for a permit

1 shall be made upon a form prescribed by the department and shall set forth the name  
2 under which the applicant intends to operate, the location of the applicant's place of  
3 operations, and the other information that the department requires. The Except as  
4 provided in sub. (7b), the application shall be signed by the owner if a sole proprietor;  
5 in the case of sellers other than sole proprietors, the application shall be signed by  
6 the person authorized to act on behalf of such sellers. A nonprofit organization that  
7 has ~~gross receipts~~ a sales price taxable under s. 77.54 (7m) shall obtain a seller's  
8 permit and pay taxes under this subchapter on all taxable ~~gross receipts~~ sales prices  
9 received after it is required to obtain that permit. If that organization becomes  
10 eligible later for the exemption under s. 77.54 (7m) except for its possession of a  
11 seller's permit, it may surrender that permit.

12 **SECTION 163.** 77.52 (7b) of the statutes is created to read:

13 77.52 (7b) Any person who may register under sub. (7) may designate an agent,  
14 as defined in s. 77.524 (1) (ag), to register with the department under sub. (7), in the  
15 manner prescribed by the department.

16 **SECTION 164.** 77.52 (12) of the statutes is amended to read:

17 77.52 (12) A person who operates as a seller in this state without a permit or  
18 after a permit has been suspended or revoked or has expired, unless the person has  
19 a temporary permit under sub. (11), and each officer of any corporation, partnership  
20 member, limited liability company member, or other person authorized to act on  
21 behalf of a seller who so operates, is guilty of a misdemeanor. Permits shall be held  
22 only by persons actively operating as sellers of tangible personal property, or items,  
23 property, or goods under sub. (1) (b), (c), or (d), or taxable services. Any person not  
24 so operating shall forthwith surrender that person's permit to the department for  
25 cancellation. The department may revoke the permit of a person found not to be

1 actively operating as a seller of tangible personal property, or items, property, or  
2 goods under sub. (1) (b), (c), or (d), or taxable services.

3 **SECTION 165.** 77.52 (13) of the statutes is amended to read:

4 77.52 (13) For the purpose of the proper administration of this section and to  
5 prevent evasion of the sales tax it shall be presumed that all receipts are subject to  
6 the tax until the contrary is established. The burden of proving that a sale of tangible  
7 personal property, or items, property, or goods under sub. (1) (b), (c), or (d), or services  
8 is not a taxable sale at retail is upon the person who makes the sale unless that  
9 person takes from the purchaser ~~a~~ an electronic or a paper certificate, in a manner  
10 prescribed by the department, to the effect that the property, item, good, or service  
11 is purchased for resale or is otherwise exempt~~;~~, except that no certificate is required  
12 for sales of cattle, sheep, goats, and pigs that are sold at an animal market, as defined  
13 in s. 95.68 (1) (ag), and no certificate is required for sales of commodities, as defined  
14 in 7 USC 2, that are consigned for sale in a warehouse in or from which the  
15 commodity is deliverable on a contract for future delivery subject to the rules of a  
16 commodity market regulated by the U.S. commodity futures trading commission if  
17 upon the sale the commodity is not removed from the warehouse the sale of tangible  
18 personal property, or items, property, or goods under sub. (1) (b), (c), or (d), or services  
19 that are exempt under s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n), (21),  
20 (22b), (31), (32), (35), (36), (37), (42), (44), (45), (46), (51), and (52).

21 **SECTION 166.** 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are  
22 consolidated, renumbered 77.52 (14) (a) and amended to read:

23 77.52 (14) (a) The certificate referred to in sub. (13) relieves the seller ~~from the~~  
24 burden of proof of the tax otherwise applicable only if any of the following is true:

25 1. ~~The certificate is taken in good faith~~ the seller obtains a fully completed exemption

1 certificate, or the information required to prove the exemption, from a person who  
2 is engaged as a seller of tangible personal property or taxable services and who holds  
3 the permit provided for in sub. (9) and who, at the time of purchasing purchaser no  
4 later than 90 days after the date of the sale of the tangible personal property, or items,  
5 property, or goods under sub. (1) (b), (c), or (d), or services, intends to sell it in the  
6 regular course of operations or is unable to ascertain at the time of purchase whether  
7 the property or service will be sold or will be used for some other purpose. (b) except  
8 as provided in par. (am). The certificate under sub. (13) shall not relieve the seller  
9 of the tax otherwise applicable if the seller fraudulently fails to collect sales tax,  
10 solicits the purchaser to claim an unlawful exemption, or accepts an exemption  
11 certificate from a purchaser who claims to be an entity that is not subject to the taxes  
12 imposed under this subchapter, if the subject of the transaction sought to be covered  
13 by the exemption certificate is received by the purchaser at a location operated by the  
14 seller in this state and the exemption certificate clearly and affirmatively indicates  
15 that the claimed exemption is not available in this state. The certificate referred to  
16 in sub. (13) shall be signed by and bear the name and address of provide information  
17 that identifies the purchaser, and shall indicate the general character of the tangible  
18 personal property or service sold by the purchaser and the basis for the claimed  
19 exemption and a paper certificate shall be signed by the purchaser. The certificate  
20 shall be in such form as the department prescribes by rule.

21 **SECTION 167.** 77.52 (14) (a) 2. of the statutes is repealed.

22 **SECTION 168.** 77.52 (14) (am) of the statutes is created to read:

23 77.52 (14) (am) If the seller has not obtained a fully completed exemption  
24 certificate or the information required to prove the exemption, as provided in par. (a),  
25 the seller may, no later than 120 days after the department requests that the seller

1 substantiate the exemption, either provide proof of the exemption to the department  
2 by other means or obtain, in good faith, a fully completed exemption certificate from  
3 the purchaser.

4 **SECTION 169.** 77.52 (14) (bm) of the statutes is created to read:

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

9 **SECTION 170.** 77.52 (15) of the statutes is amended to read:

10 77.52 (15) If a purchaser who ~~gives a resale certificate~~ purchases tangible  
11 personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or  
12 taxable services without paying a sales tax or use tax on such purchase because such  
13 property, items, goods, or services were for resale makes any use of the property,  
14 items, goods, or services other than retention, demonstration or display while  
15 holding ~~it~~ the property, items, goods, or services for sale, lease or rental in the regular  
16 course of the purchaser's operations, the use shall be taxable to the purchaser under  
17 s. 77.53 as of the time that the property is, items, goods, or services are first used by  
18 the purchaser, and the sales purchase price of the property, items, goods, or services  
19 to the purchaser shall be the measure of the tax. Only when there is an unsatisfied  
20 use tax liability on this basis because the seller has provided incorrect information  
21 about that transaction to the department shall the seller be liable for sales tax with  
22 respect to the sale of the property to the purchaser.

23 **SECTION 171.** 77.52 (16) of the statutes is amended to read:

24 77.52 (16) Any person who gives a resale certificate for property, or items,  
25 property, or goods under sub. (1) (b), (c), or (d), or services which that person knows

1 at the time of purchase is not to be resold by that person in the regular course of that  
2 person's operations as a seller for the purpose of evading payment to the seller of the  
3 amount of the tax applicable to the transaction is guilty of a misdemeanor. Any  
4 person certifying to the seller that the sale of property, or items, property, or goods  
5 under sub. (1) (b), (c), or (d), or taxable service is exempt, knowing at the time of  
6 purchase that it is not exempt, for the purpose of evading payment to the seller of the  
7 amount of the tax applicable to the transaction, is guilty of a misdemeanor.

8 **SECTION 172.** 77.52 (17m) (b) 6. of the statutes is amended to read:

9 77.52 (17m) (b) 6. The applicant purchases enough tangible personal property  
10 or items, property, or goods under s. 77.52 (1) (b), (c), or (d) under circumstances that  
11 make it difficult to determine whether the property, items, or goods will be subject  
12 to a tax under this subchapter.

13 **SECTION 173.** 77.52 (19) of the statutes is amended to read:

14 77.52 (19) The department shall by rule provide for the efficient collection of  
15 the taxes imposed by this subchapter on sales of tangible personal property, or items,  
16 property, or goods under sub. (1) (b), (c), or (d), or services by persons not regularly  
17 engaged in selling at retail in this state or not having a permanent place of business,  
18 but who are temporarily engaged in selling from trucks, portable roadside stands,  
19 concessions at fairs and carnivals, and the like. The department may authorize such  
20 persons to sell property or items, property or goods under sub. (1) (b), (c), or (d) or sell,  
21 perform, or furnish services on a permit or nonpermit basis as the department by rule  
22 prescribes and failure of any person to comply with such rules constitutes a  
23 misdemeanor.

24 **SECTION 174.** 77.52 (20) of the statutes is created to read:

1           **77.52 (20)** (a) Except as provided in par. (b), the entire sales price of a bundled  
2 transaction is subject to the tax imposed under this subchapter.

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

11           **SECTION 175.** 77.52 (21) of the statutes is created to read:

12           **77.52 (21)** A person who provides a product that is not a distinct and  
13 identifiable product because it is provided free of charge, as provided in s. 77.51 (3pf)  
14 (b), is the consumer of that product and shall pay the tax imposed under this  
15 subchapter on the purchase price of that product.

16           **SECTION 176.** 77.52 (22) of the statutes is created to read:

17           **77.52 (22)** With regard to transactions described in s. 77.51 (1f) (b), the service  
18 provider is the consumer of the tangible personal property or items, property, or  
19 goods under sub. (1) (b), (c), or (d) and shall pay the tax imposed under this  
20 subchapter on the purchase price of the property, items, or goods.

21           **SECTION 177.** 77.52 (23) of the statutes is created to read:

22           **77.52 (23)** With regard to transactions described in s. 77.51 (1f) (c), the service  
23 provider is the consumer of the service that is essential to the use or receipt of the  
24 other service and shall pay the tax imposed under this subchapter on the purchase  
25 price of the service that is essential to the use or receipt of the other service.



1           **SECTION 178.** 77.522 of the statutes is created to read:

2           **77.522 Sourcing. (1) GENERAL.** (a) In this section:

3           1. "Receive" means taking possession of tangible personal property or items or  
4 property under s. 77.52 (1) (b) or (c); making first use of services; or taking possession  
5 or making first use of digital goods under s. 77.52 (1) (d), whichever comes first.

6 "Receive" does not include a shipping company taking possession of tangible  
7 personal property or items or property under s. 77.52 (1) (b) or (c) on a purchaser's  
8 behalf.

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

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

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

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

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

22           (b) Except as provided in par. (c) and subs. (2), (3), (4), and (5), the location of  
23 a sale is determined as follows:

24           1. If a purchaser receives the product at a seller's business location, the sale  
25 is sourced to that business location.

1           2. If a purchaser does not receive the product at a seller's business location, the  
2 sale is sourced to the location where the purchaser, or the purchaser's designated  
3 donee, receives the product, including the location indicated by the instructions  
4 known to the seller for delivery to the purchaser or the purchaser's designated donee.

5           3. If the location of a sale of a product cannot be determined under subds. 1. and  
6 2., the sale is sourced to the purchaser's address as indicated by the seller's business  
7 records, if the records are maintained in the ordinary course of the seller's business  
8 and if using that address to establish the location of a sale is not in bad faith.

9           4. If the location of a sale of a product cannot be determined under subds. 1. to  
10 3., the sale is sourced to the purchaser's address as obtained during the  
11 consummation of the sale, including the address indicated on the purchaser's  
12 payment instrument, if no other address is available and if using that address is not  
13 in bad faith.

14           5. If the location of a sale of a product cannot be determined under subds. 1. to  
15 4., including the circumstance in which the seller has insufficient information to  
16 determine the locations under subds. 1. to 4., the location of the sale is determined  
17 as follows:

18           a. If the item sold is tangible personal property or an item or property under  
19 s. 77.52 (1) (b) or (c), the sale is sourced to the location from which the tangible  
20 personal property or item or property under s. 77.52 (1) (b) or (c) is shipped.

21           b. If the item sold is a digital good or computer software delivered electronically,  
22 the sale is sourced to the location from which the computer software was first  
23 available for transmission by the seller, not including any location that merely  
24 provided the digital transfer of the product sold.

1 c. If a service is sold, the sale is sourced to the location from which the service  
2 was provided.

3 (c) The sale of direct mail is sourced to the location from which the direct mail  
4 is shipped, if the purchaser does not provide to the seller a direct pay permit, an  
5 exemption certificate claiming direct mail, or other information that indicates the  
6 appropriate taxing jurisdiction to which the direct mail is delivered to the ultimate  
7 recipients. If the purchaser provides an exemption certificate claiming direct mail  
8 or direct pay permit to the seller, the purchaser shall pay or remit, as appropriate,  
9 to the department the tax imposed under s. 77.53 on all purchases for which the tax  
10 is due and the seller is relieved from liability for collecting such tax. If the purchaser  
11 provides delivery information indicating the jurisdictions to which the direct mail is  
12 delivered to the recipients, the seller shall collect the tax according to the delivery  
13 information provided by the purchaser and, in the absence of bad faith, the seller  
14 shall be relieved of any further obligation to collect tax on any transaction for which  
15 the seller has collected tax pursuant to the delivery information provided by the  
16 purchaser. An exemption certificate claiming direct mail provided to a seller under  
17 this paragraph shall remain effective for all sales by the seller who received the  
18 exemption certificate to the purchaser who provided the exemption certificate,  
19 unless the purchaser revokes the exemption certificate in writing and provides such  
20 revocation to the seller.

21 **(2) DIGITAL GOODS.** (a) If the location of a sale of the digital good under s. 77.52  
22 (1) (d) cannot be determined under sub. (1) (b), including the circumstance in which  
23 the seller has insufficient information to determine the location under sub. (1) (b),  
24 the sale is sourced to the location from which the digital good was first available for

1 transmission by the seller, not including any location from which the digital good was  
2 merely transferred electronically.

3 (b) The location of a license of a digital good under s. 77.52 (1) (d) is determined  
4 as follows:

5 1. With regard to the first or only payment on the license of the digital good,  
6 the license is sourced to the location determined under par. (a).

7 2. If the digital good is moved from the place where the digital good was initially  
8 delivered, the subsequent periodic payments on the license are sourced to the digital  
9 good's primary location as indicated by an address for the digital good that is  
10 provided by the licensee and that is available to the licensor in records that the  
11 licensor maintains in the ordinary course of the licensor's business, if the use of such  
12 an address does not constitute bad faith. The location of a license as determined  
13 under this paragraph shall not be altered by any intermittent use of the digital good  
14 at different locations.

15 **(3) LEASE OR RENTAL.** (a) Except as provided in pars. (b) and (c), with regard  
16 to the first or only payment on the lease or rental, the lease or rental of tangible  
17 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) is  
18 sourced to the location determined under sub. (1) (b). If the property, item, or good  
19 is moved from the place where the property, item, or good was initially delivered, the  
20 subsequent periodic payments on the lease or rental are sourced to the property's,  
21 item's, or good's primary location as indicated by an address for the property, item,  
22 or good that is provided by the lessee and that is available to the lessor in records that  
23 the lessor maintains in the ordinary course of the lessor's business, if the use of such  
24 an address does not constitute bad faith. The location of a lease or rental as

1 determined under this paragraph shall not be altered by any intermittent use of the  
2 property, item, or good at different locations.

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

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

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

18 **(4) 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 is sourced to the taxing jurisdiction for sales and  
13 use 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 is sourced to the customer's  
19 place 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, is sourced to the customer's  
22 place of primary use.

23 (e) The sale of a postpaid calling service is sourced to the location where the  
24 signal 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 is  
4 sourced to 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 is sourced to 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 is sourced to 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 is sourced to 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 is sourced to 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 is sourced to each  
23 such jurisdiction in a percentage determined by dividing the number of customer  
24 channel 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 is sourced to the customer's place of  
4 primary use.

5 (i) The sale of an ancillary service is sourced to the customer's place of primary  
6 use.

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

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

16 (b) Sales by a retail florist are sourced to the location determined by rule by the  
17 department.

18 **SECTION 179.** 77.523 (title) of the statutes is repealed.

19 **SECTION 180.** 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended  
20 to read:

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

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

18 **SECTION 181.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

19 **SECTION 182.** 77.524 (1) (ag) of the statutes is created to read:

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

23 **SECTION 183.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g) and  
24 amended to read:

**SECTION 183**

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

6           **SECTION 184.** 77.525 of the statutes is amended to read:

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

15           **SECTION 185.** 77.53 (1) of the statutes is amended to read:

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

1 on the storage, use or other consumption of tangible personal property or items,  
2 property, or goods under s. 77.52 (1) (b), (c), or (d) manufactured, processed or  
3 otherwise altered, in or outside this state, by the person who stores, uses or consumes  
4 it, from material purchased from any retailer, at the rate of 5% of the sales purchase  
5 price of that material.

6 **SECTION 186.** 77.53 (1b) of the statutes is repealed and recreated to read:

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

12 **SECTION 187.** 77.53 (2) of the statutes is amended to read:

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

23 **SECTION 188.** 77.53 (3) of the statutes is amended to read:

24 77.53 (3) Every retailer engaged in business in this state and making sales of  
25 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or

1 ~~(d), or taxable services for delivery into this state or with knowledge directly or~~  
2 ~~indirectly that the property or service is intended for storage, use or other~~  
3 ~~consumption in that are sourced to this state under s. 77.522, shall, at the time of~~  
4 ~~making the sales or, if the storage, use or other consumption of the tangible personal~~  
5 ~~property or taxable service is not then taxable under this section, at the time the~~  
6 ~~storage, use or other consumption becomes taxable, collect the tax from the~~  
7 ~~purchaser and give to the purchaser a receipt in the manner and form prescribed by~~  
8 ~~the department.~~

9 **SECTION 189.** 77.53 (4) of the statutes is repealed.

10 **SECTION 190.** 77.53 (9) of the statutes is amended to read:

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

21 **SECTION 191.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and  
22 amended to read:

23 77.53 (9m) (a) Any person who is not otherwise required to collect any tax  
24 imposed by this subchapter and who makes sales to persons within this state of  
25 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or

1        (d), or taxable services the use of which is subject to tax under this subchapter may  
2        register with the department under the terms and conditions that the department  
3        imposes and shall obtain a valid certificate under s. 73.03 (50) and thereby be  
4        authorized and required to collect, report, and remit to the department the use tax  
5        imposed by this subchapter.

6        **SECTION 192.** 77.53 (9m) (b) of the statutes is created to read:

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

10       **SECTION 193.** 77.53 (9m) (c) of the statutes is created to read:

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

14       **SECTION 194.** 77.53 (10) of the statutes is amended to read:

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

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

9 **SECTION 195.** 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and  
10 amended to read:

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

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

11 **SECTION 196.** 77.53 (11) (b) of the statutes is created to read:

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

18 **SECTION 197.** 77.53 (12) of the statutes is amended to read:

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

25 **SECTION 198.** 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 goods under s. 77.52 (1) (b), (c), or (d), or taxable services shipped or brought to this  
3 state by the purchaser were purchased from or serviced by a retailer.

4           **SECTION 199.** 77.53 (15) of the statutes is repealed.

5           **SECTION 200.** 77.53 (16) of the statutes is amended to read:

6           77.53 (16) If the purchase, rental or lease of tangible personal property, or  
7 items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service subject to the tax  
8 imposed by this section was subject to a sales tax by another state in which the  
9 purchase was made, the amount of sales tax paid the other state shall be applied as  
10 a credit against and deducted from the tax, to the extent thereof, imposed by this  
11 section, except no credit may be applied against and deducted from a sales tax paid  
12 on the purchase of direct mail, if the direct mail purchaser did not provide to the  
13 seller a direct pay permit, an exemption certificate claiming direct mail, or other  
14 information that indicates the appropriate taxing jurisdiction to which the direct  
15 mail is delivered to the ultimate recipients. In this subsection "sales tax" includes  
16 a use or excise tax imposed on the use of tangible personal property, or items,  
17 property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable service by the state in  
18 which the sale occurred was sourced and "state" includes the District of Columbia but  
19 does not include and the commonwealth of Puerto Rico or but does not include the  
20 several territories organized by congress.

21           **SECTION 201.** 77.53 (17) of the statutes is amended to read:

22           77.53 (17) This section does not apply to tangible personal property or items,  
23 property, or goods under s. 77.52 (1) (b), (c), or (d) purchased outside this state, as  
24 determined under s. 77.522, other than motor vehicles, boats, snowmobiles,  
25 recreational vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain

1 vehicles and airplanes registered or titled or required to be registered or titled in this  
2 state, which is brought into this state by a nondomiciliary for the person's own  
3 storage, use or other consumption while temporarily within this state when such  
4 property, item, or good is not stored, used or otherwise consumed in this state in the  
5 conduct of a trade, occupation, business or profession or in the performance of  
6 personal services for wages or fees.

7 **SECTION 202.** 77.53 (17m) of the statutes is amended to read:

8 77.53 (17m) This section does not apply to a boat purchased in a state  
9 contiguous to this state, as determined under s. 77.522, by a person domiciled in that  
10 state if the boat is berthed in this state's boundary waters adjacent to the state of the  
11 domicile of the purchaser and if the transaction was an exempt occasional sale under  
12 the laws of the state in which the purchase was made.

13 **SECTION 203.** 77.53 (17r) (a) of the statutes is amended to read:

14 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

15 **SECTION 204.** 77.53 (18) of the statutes is amended to read:

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

24 **SECTION 205.** 77.54 (1) of the statutes is amended to read:

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

7           **SECTION 206.** 77.54 (2) of the statutes is amended to read:

8           77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or  
9 other consumption of tangible personal property becoming an ingredient or  
10 component part of an article of tangible personal property or which is consumed or  
11 destroyed or loses its identity in the manufacture of tangible personal property in  
12 any form destined for sale, except as provided in sub. (30) (a) 6.

13           **SECTION 207.** 77.54 (2m) of the statutes is amended to read:

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

23           **SECTION 208.** 77.54 (3) (a) of the statutes is amended to read:

24           77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use,  
25 or other consumption of tractors and machines, including accessories, attachments,

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

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

14 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the  
15 storage, use or other consumption of the following items if they are used exclusively  
16 by the purchaser or user in the business of farming; including dairy farming,  
17 agriculture, horticulture, floriculture, silviculture, and custom farming services:

18 **SECTION 210.** 77.54 (4) of the statutes is amended to read:

19 77.54 (4) ~~Gross receipts~~ The sales price from the sale of tangible personal  
20 property ~~and items, property, and goods under s. 77.52 (1) (b), (c), and (d)~~ and the  
21 storage, use or other consumption in this state of tangible personal property and  
22 items, property, and goods under s. 77.52 (1) (b), (c), and (d), which is the subject of  
23 any such sale, by any elementary school or secondary school, exempted as such from  
24 payment of income or franchise tax under ch. 71, whether public or private.

25 **SECTION 211.** 77.54 (5) (intro.) of the statutes is amended to read:

1           77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
2 use or other consumption of:

3           **SECTION 212.** 77.54 (6) (intro.) of the statutes is amended to read:

4           77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,  
5 use or other consumption of:

6           **SECTION 213.** 77.54 (7m) of the statutes is amended to read:

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

23           **SECTION 214.** 77.54 (8) of the statutes is amended to read:

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

4           **SECTION 215.** 77.54 (9) of the statutes is amended to read:

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

8           **SECTION 216.** 77.54 (9a) (intro.) of the statutes is amended to read:

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

12          **SECTION 217.** 77.54 (10) of the statutes is amended to read:

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

17          **SECTION 218.** 77.54 (11) of the statutes is amended to read:

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

23          **SECTION 219.** 77.54 (12) of the statutes is amended to read:

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

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

3 **SECTION 220.** 77.54 (13) of the statutes is amended to read:

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

8 **SECTION 221.** 77.54 (14) (intro.) of the statutes is amended to read:

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

12 **SECTION 222.** 77.54 (14) (a) of the statutes is amended to read:

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

16 **SECTION 223.** 77.54 (14) (b) of the statutes is amended to read:

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

19 **SECTION 224.** 77.54 (14) (f) (intro.) of the statutes is amended to read:

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

22 **SECTION 225.** 77.54 (14g) of the statutes is repealed.

23 **SECTION 226.** 77.54 (14s) of the statutes is repealed.

24 **SECTION 227.** 77.54 (15) of the statutes is amended to read:

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

18           **SECTION 228.** 77.54 (16) of the statutes is amended to read:

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

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



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

4           **SECTION 230.** 77.54 (18) of the statutes is amended to read:

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

16           **SECTION 231.** 77.54 (20) of the statutes is repealed.

17           **SECTION 232.** 77.54 (20m) of the statutes is repealed.

18           **SECTION 233.** 77.54 (20n) of the statutes is created to read:

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

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

1 prepared food that is sold to the elderly or handicapped by persons providing mobile  
2 meals on wheels. In this paragraph, "retirement home" means a nonprofit  
3 residential facility where 3 or more unrelated adults or their spouses have their  
4 principal residence and where support services, including meals from a common  
5 kitchen, are available to residents.

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

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

14 2. A national football league team.

15 **SECTION 234.** 77.54 (20r) of the statutes is created to read:

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

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

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

24 **SECTION 236.** 77.54 (22) of the statutes is repealed.

25 **SECTION 237.** 77.54 (22b) of the statutes is created to read: