

1 ***-0377/P10.201* *-4294/P1.183* SECTION 351.** 77.53 (18) of the statutes is
2 amended to read:

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

11 ***-0377/P10.202* *-4294/P1.184* SECTION 352.** 77.54 (1) of the statutes is
12 amended to read:

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

19 ***-0377/P10.203* *-4294/P1.185* SECTION 353.** 77.54 (2) of the statutes is
20 amended to read:

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

1 ***-0377/P10.204* *-4294/P1.186* SECTION 354.** 77.54 (2m) of the statutes is
2 amended to read:

3 77.54 (2m) The ~~gross receipts~~ sales price from the sales of and the storage, use
4 or other consumption of tangible personal property or services that become an
5 ingredient or component of shoppers guides, newspapers or periodicals or that are
6 consumed or lose their identity in the manufacture of shoppers guides, newspapers
7 or periodicals, whether or not the shoppers guides, newspapers or periodicals are
8 transferred without charge to the recipient. In this subsection, “shoppers guides”,
9 “newspapers” and “periodicals” have the meanings under sub. (15). The exemption
10 under this subdivision does not apply to advertising supplements that are not
11 newspapers.

12 ***-0377/P10.205* *-4294/P1.187* SECTION 355.** 77.54 (3) (a) of the statutes is
13 amended to read:

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

1 and regardless of the extent to which that personal property functions as a machine,
2 except as provided in par. (c).

3 ***-0377/P10.206* *-4294/P1.188* SECTION 356.** 77.54 (3m) (intro.) of the
4 statutes is amended to read:

5 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the
6 storage, use or other consumption of the following items if they are used exclusively
7 by the purchaser or user in the business of farming; including dairy farming,
8 agriculture, horticulture, floriculture, silviculture, and custom farming services:

9 ***-0377/P10.207* *-4294/P1.189* SECTION 357.** 77.54 (4) of the statutes is
10 amended to read:

11 77.54 (4) ~~Gross receipts~~ The sales price from the sale of tangible personal
12 property ~~and items, property, and goods under s. 77.52 (1) (b), (c), and (d)~~ and the
13 storage, use or other consumption in this state of tangible personal property and
14 items, property, and goods under s. 77.52 (1) (b), (c), and (d), which is the subject of
15 any such sale, by any elementary school or secondary school, exempted as such from
16 payment of income or franchise tax under ch. 71, whether public or private.

17 ***-0377/P10.208* *-4294/P1.190* SECTION 358.** 77.54 (5) (intro.) of the
18 statutes is amended to read:

19 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
20 use or other consumption of:

21 ***-0377/P10.209* *-4294/P1.191* SECTION 359.** 77.54 (6) (intro.) of the
22 statutes is amended to read:

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

1 ***-0377/P10.210* *-4294/P1.192* SECTION 360.** 77.54 (7m) of the statutes is
2 amended to read:

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

19 ***-0377/P10.211* *-4294/P1.193* SECTION 361.** 77.54 (8) of the statutes is
20 amended to read:

21 77.54 (8) Charges for ~~interest, financing or insurance,~~ not including contracts
22 under s. 77.52 (2) (a) 13m., where such charges are separately set forth upon the
23 invoice given by the seller to the purchaser.

24 ***-0377/P10.212* *-4294/P1.194* SECTION 362.** 77.54 (9) of the statutes is
25 amended to read:

1 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
2 public and private elementary and secondary school activities, where the entire net
3 proceeds therefrom are expended for educational, religious or charitable purposes.

4 ***-0377/P10.213* *-4294/P1.195* SECTION 363.** 77.54 (9a) (intro.) of the
5 statutes is amended to read:

6 77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage
7 by, use by or other consumption of tangible personal property, and items, property,
8 and goods under s. 77.52 (1) (b), (c), and (d), and taxable services by:

9 ***-0377/P10.214* *-4294/P1.196* SECTION 364.** 77.54 (10) of the statutes is
10 amended to read:

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

15 ***-0377/P10.215* *-4294/P1.197* SECTION 365.** 77.54 (11) of the statutes is
16 amended to read:

17 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
18 or other consumption in this state of motor vehicle fuel, general aviation fuel or
19 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or
20 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
21 in operating a motor vehicle upon the public highways.

22 ***-0377/P10.216* *-4294/P1.198* SECTION 366.** 77.54 (12) of the statutes is
23 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 ***-0377/P10.217* *-4294/P1.199* SECTION 367.** 77.54 (13) of the statutes is
4 amended to read:

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

9 ***-0377/P10.218* *-4294/P1.200* SECTION 368.** 77.54 (14) (intro.) of the
10 statutes is amended to read:

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

14 ***-0377/P10.219* *-4294/P1.201* SECTION 369.** 77.54 (14) (a) of the statutes
15 is amended to read:

16 77.54 (14) (a) Prescribed for the treatment of a human being by a person
17 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by
18 a registered pharmacist in accordance with law.

19 ***-0377/P10.220* *-4294/P1.202* SECTION 370.** 77.54 (14) (b) of the statutes
20 is amended to read:

21 77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist
22 to a patient who is a human being for treatment of the patient.

23 ***-0377/P10.221* *-4294/P1.203* SECTION 371.** 77.54 (14) (f) (intro.) of the
24 statutes is amended to read:

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

3 ***-0377/P10.222* *-4294/P1.204* SECTION 372.** 77.54 (14g) of the statutes is
4 repealed.

5 ***-0377/P10.223* *-4294/P1.205* SECTION 373.** 77.54 (14s) of the statutes is
6 repealed.

7 ***-0377/P10.224* *-4294/P1.206* SECTION 374.** 77.54 (15) of the statutes is
8 amended to read:

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

1 ***-0377/P10.225* *-4294/P1.207* SECTION 375.** 77.54 (16) of the statutes is
2 amended to read:

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

7 ***-0377/P10.226* *-4294/P1.208* SECTION 376.** 77.54 (17) of the statutes is
8 amended to read:

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

12 ***-0377/P10.227* *-4294/P1.209* SECTION 377.** 77.54 (18) of the statutes is
13 amended to read:

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

1 ***-0377/P10.228*** ***-4294/P1.210*** SECTION 378. 77.54 (20) of the statutes is
2 repealed.

3 ***-0377/P10.229*** ***-4294/P1.211*** SECTION 379. 77.54 (20m) of the statutes is
4 repealed.

5 ***-0377/P10.230*** ***-4294/P1.212*** SECTION 380. 77.54 (20n) of the statutes is
6 created to read:

7 77.54 (20n) (a) The sales price from the sale of and the storage, use, or other
8 consumption of food and food ingredients, except candy, soft drinks, dietary
9 supplements, and prepared food.

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

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

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

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

3 2. A national football league team.

4 ***-0377/P10.231* *-4294/P1.213* SECTION 381.** 77.54 (20r) of the statutes is
5 created to read:

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

11 ***-0377/P10.232* *-4294/P1.214* SECTION 382.** 77.54 (21) of the statutes is
12 amended to read:

13 77.54 (21) The ~~gross receipts~~ sales price from the sales of and the storage, use
14 or other consumption of caskets and burial vaults for human remains.

15 ***-0377/P10.233* *-4294/P1.215* SECTION 383.** 77.54 (22) of the statutes is
16 repealed.

17 ***-0377/P10.234* *-4294/P1.216* SECTION 384.** 77.54 (22b) of the statutes is
18 created to read:

19 77.54 (22b) The sales price from the sale of and the storage, use, or other
20 consumption of durable medical equipment that is for use in a person's home,
21 mobility-enhancing equipment, and prosthetic devices, and accessories for such
22 equipment or devices, if the equipment or devices are used for a human being.

23 ***-0377/P10.235* *-4294/P1.217* SECTION 385.** 77.54 (23m) of the statutes is
24 amended to read:

1 77.54 (23m) The ~~gross receipts~~ sales price from the sale, license, lease or rental
2 of or the storage, use or other consumption of motion picture film or tape, and motion
3 pictures or radio or television programs for listening, viewing, or broadcast, and
4 advertising materials related thereto, sold, licensed, leased or rented to a motion
5 picture theater or radio or television station.

6 ***-0377/P10.236* *-4294/P1.218* SECTION 386.** 77.54 (25) of the statutes, as
7 affected by 2007 Wisconsin Act 20, is amended to read:

8 77.54 (25) The ~~gross receipts~~ sales price from the sale of and the storage of
9 printed material which is designed to advertise and promote the sale of merchandise,
10 or to advertise the services of individual business firms, which printed material is
11 purchased and stored for the purpose of subsequently transporting it outside the
12 state by the purchaser for use thereafter solely outside the state. This subsection
13 does not apply to catalogs and the envelopes in which the catalogs are mailed.

14 ***-0377/P10.237* *-4294/P1.219* SECTION 387.** 77.54 (25m) of the statutes,
15 as created by 2007 Wisconsin Act 20, is amended to read:

16 77.54 (25m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
17 or other consumption of catalogs, and the envelopes in which the catalogs are mailed,
18 that are designed to advertise and promote the sale of merchandise or to advertise
19 the services of individual business firms.

20 ***-0377/P10.238* *-4294/P1.220* SECTION 388.** 77.54 (26) of the statutes is
21 amended to read:

22 77.54 (26) The ~~gross receipts~~ sales price from the sales of and the storage, use,
23 or other consumption of tangible personal property and items and property under s.
24 77.52 (1) (b) and (c) which becomes a component part of an industrial waste
25 treatment facility that is exempt under s. 70.11 (21) or that would be exempt under

1 s. 70.11 (21) if the property were taxable under ch. 70, or tangible personal property
2 and items and property under s. 77.52 (1) (b) and (c) which becomes a component part
3 of a waste treatment facility of this state or any agency thereof, or any political
4 subdivision of the state or agency thereof as provided in s. 40.02 (28). The exemption
5 includes replacement parts therefor, and also applies to chemicals and supplies used
6 or consumed in operating a waste treatment facility and to purchases of tangible
7 personal property and items and property under s. 77.52 (1) (b) and (c) made by
8 construction contractors who transfer such property to their customers in fulfillment
9 of a real property construction activity. This exemption does not apply to tangible
10 personal property and items and property under s. 77.52 (1) (b) and (c) installed in
11 fulfillment of a written construction contract entered into, or a formal written bid
12 made, prior to July 31, 1975.

13 ***-0377/P10.239*** ***-4294/P1.221*** **SECTION 389.** 77.54 (26m) of the statutes is
14 amended to read:

15 77.54 (26m) The ~~gross receipts~~ sales price from the sale of and the storage, use
16 or other consumption of waste reduction or recycling machinery and equipment,
17 including parts therefor, exclusively and directly used for waste reduction or
18 recycling activities which reduce the amount of solid waste generated, reuse solid
19 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
20 The exemption applies even though an economically useful end product results from
21 the use of the machinery and equipment. For the purposes of this subsection, "solid
22 waste" means garbage, refuse, sludge or other materials or articles, whether these
23 materials or articles are discarded or purchased, including solid, semisolid, liquid or
24 contained gaseous materials or articles resulting from industrial, commercial,

1 mining or agricultural operations or from domestic use or from public service
2 activities.

3 ***-0377/P10.240* *-4294/P1.222* SECTION 390.** 77.54 (27) of the statutes is
4 amended to read:

5 77.54 (27) The ~~gross receipts~~ sales price from the sale of semen used for
6 artificial insemination of livestock.

7 ***-0377/P10.241* *-4294/P1.223* SECTION 391.** 77.54 (28) of the statutes is
8 amended to read:

9 77.54 (28) The ~~gross receipts~~ sales price from the sale of and the storage, use
10 or other consumption to or by the ultimate consumer of ~~apparatus or equipment for~~
11 ~~the injection of insulin or the treatment of diabetes and~~ supplies used to determine
12 blood sugar level.

13 ***-0377/P10.242* *-4294/P1.224* SECTION 392.** 77.54 (29) of the statutes is
14 amended to read:

15 77.54 (29) The ~~gross receipts~~ sales price from the sales of and the storage, use
16 or other consumption of equipment used in the production of maple syrup.

17 ***-0377/P10.243* *-4294/P1.225* SECTION 393.** 77.54 (30) (a) (intro.) of the
18 statutes is amended to read:

19 77.54 (30) (a) (intro.) The ~~gross receipts~~ sales price from the sale of:

20 ***-0377/P10.244* *-4294/P1.226* SECTION 394.** 77.54 (30) (c) of the statutes
21 is amended to read:

22 77.54 (30) (c) If fuel or electricity is sold partly for a use exempt under this
23 subsection and partly for a use which is not exempt under this subsection, no tax
24 shall be collected on that percentage of the ~~gross receipts~~ sales price equal to the

1 percentage of the fuel or electricity which is used for an exempt use, as specified in
2 an exemption certificate provided by the purchaser to the seller.

3 ***-0377/P10.245* *-4294/P1.227* SECTION 395.** 77.54 (31) of the statutes is
4 amended to read:

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

9 ***-0377/P10.246* *-4294/P1.228* SECTION 396.** 77.54 (32) of the statutes is
10 amended to read:

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

15 ***-0377/P10.247* *-4294/P1.229* SECTION 397.** 77.54 (33) of the statutes is
16 amended to read:

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

20 ***-0377/P10.248* *-4294/P1.230* SECTION 398.** 77.54 (35) of the statutes is
21 amended to read:

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

1 ***-0377/P10.249* *-4294/P1.231* SECTION 399.** 77.54 (36) of the statutes is
2 amended to read:

3 77.54 (36) The ~~gross receipts~~ sales price from the rental for a continuous period
4 of one month or more of a mobile home, as defined in s. 101.91 (10), or a manufactured
5 home, as defined in s. 101.91 (2), that is used as a residence. In this subsection, “one
6 month” means a calendar month or 30 days, whichever is less, counting the first day
7 of the rental and not counting the last day of the rental.

8 ***-0377/P10.250* *-4294/P1.232* SECTION 400.** 77.54 (37) of the statutes is
9 amended to read:

10 77.54 (37) The ~~gross receipts~~ sales price from revenues collected under s.
11 256.35 (3) and the surcharge established by rule by the public service commission
12 under s. 256.35 (3m) (f) for customers of wireless providers, as defined in s. 256.35
13 (3m) (a) 6.

14 ***-0377/P10.251* *-4294/P1.233* SECTION 401.** 77.54 (38) of the statutes is
15 amended to read:

16 77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use
17 or other consumption of snowmobile trail groomers and attachments for them that
18 are purchased, stored, used or consumed by a snowmobile club that meets at least
19 3 times a year, that has at least 10 members, that promotes snowmobiling and that
20 participates in the department of natural resources’ snowmobile program under s.
21 350.12 (4) (b).

22 ***-0377/P10.252* *-4294/P1.234* SECTION 402.** 77.54 (39) of the statutes is
23 amended to read:

24 77.54 (39) The ~~gross receipts~~ sales price from the sale of and the storage, use
25 or other consumption of off-highway, heavy mechanical equipment such as feller

1 bunchers, slashers, delimiters, chippers, hydraulic loaders, loaders,
2 skidder-forwarders, skidders, timber wagons and tractors used exclusively and
3 directly in the harvesting or processing of raw timber products in the field by a person
4 in the logging business. In this subsection, "heavy mechanical equipment" does not
5 include hand tools such as axes, chains, chain saws and wedges.

6 ***-0377/P10.253* *-4294/P1.235* SECTION 403.** 77.54 (40) of the statutes is
7 repealed.

8 ***-0377/P10.254* *-4294/P1.236* SECTION 404.** 77.54 (41) of the statutes is
9 amended to read:

10 77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,
11 supplies and equipment to; and the storage, use or other consumption of those kinds
12 of property by; owners, contractors, subcontractors or builders if that property is
13 acquired solely for or used solely in, the construction, renovation or development of
14 property that would be exempt under s. 70.11 (36).

15 ***-0377/P10.255* *-4294/P1.237* SECTION 405.** 77.54 (42) of the statutes is
16 amended to read:

17 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use
18 or other consumption of animal identification tags provided under s. 93.06 (1h) and
19 standard samples provided under s. 93.06 (1s).

20 ***-0377/P10.256* *-4294/P1.238* SECTION 406.** 77.54 (43) of the statutes is
21 amended to read:

22 77.54 (43) The ~~gross receipts~~ sales price from the sale of and the storage, use
23 or other consumption of raw materials used for the processing, fabricating or
24 manufacturing of, or the attaching to or incorporating into, printed materials that
25 are transported and used solely outside this state.

1 ***-0377/P10.257* *-4294/P1.239* SECTION 407.** 77.54 (44) of the statutes is
2 amended to read:

3 77.54 (44) The ~~gross receipts~~ sales price from the collection of low-income
4 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

5 ***-0377/P10.258* *-4294/P1.240* SECTION 408.** 77.54 (45) of the statutes is
6 amended to read:

7 77.54 (45) The ~~gross receipts~~ sales price from the sale of and the use or other
8 consumption of a onetime license or similar right to purchase admission to
9 professional football games at a football stadium, as defined in s. 229.821 (6), that
10 is granted by a municipality; a local professional football stadium district; or a
11 professional football team or related party, as defined in s. 229.821 (12); if the person
12 who buys the license or right is entitled, at the time the license or right is transferred
13 to the person, to purchase admission to at least 3 professional football games in this
14 state during one football season.

15 ***-0377/P10.259* *-4294/P1.241* SECTION 409.** 77.54 (46) of the statutes is
16 amended to read:

17 77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,
18 or other consumption of the U.S. flag or the state flag. This subsection does not apply
19 to a representation of the U.S. flag or the state flag.

20 ***-0377/P10.260* *-4294/P1.242* SECTION 410.** 77.54 (46m) of the statutes is
21 amended to read:

22 77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
23 or other consumption of telecommunications services, if the telecommunications
24 services are obtained by using the rights to purchase telecommunications services,
25 including purchasing reauthorization numbers, by paying in advance and by using

1 an access number and authorization code; and if the tax imposed under s. 77.52 or
2 77.53 was previously paid on the sale or purchase of such rights.

3 ***-0377/P10.261* *-4294/P1.243* SECTION 411.** 77.54 (47) (intro.) of the
4 statutes is amended to read:

5 77.54 (47) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
6 use, or other consumption of all of the following:

7 ***-0377/P10.262* *-4294/P1.244* SECTION 412.** 77.54 (47) (b) 1. of the statutes
8 is amended to read:

9 77.54 (47) (b) 1. The shooting facility is required to pay the tax imposed under
10 s. 77.52 on ~~its gross receipts~~ the sales price from charges for shooting at the facility.

11 ***-0377/P10.263* *-4294/P1.245* SECTION 413.** 77.54 (47) (b) 2. of the statutes
12 is amended to read:

13 77.54 (47) (b) 2. The shooting facility is a nonprofit organization that charges
14 for shooting at the facility, but is not required to pay the tax imposed under s. 77.52
15 on its ~~gross receipts~~ sales price from such charges because the charges are for
16 occasional sales, as provided under sub. (7m), or because the charges satisfy the
17 exemption under s. 77.52 (2) (a) 2. b.

18 ***-0377/P10.264* *-4294/P1.246* SECTION 414.** 77.54 (48) (a) of the statutes
19 is renumbered 77.585 (9) (a) and amended to read:

20 77.585 (9) (a) Subject to 2005 Wisconsin Act 479, section 17, ~~the gross receipts~~
21 ~~from the sale of and the storage, use, or other consumption~~ a purchaser may claim
22 as a deduction that portion of its purchase price of Internet equipment used in the
23 broadband market for which the tax was imposed under this subchapter, if the
24 purchaser certifies to the department of commerce, in the manner prescribed by the
25 department of commerce, that the purchaser will, within 24 months after July 1,

1 2007, make an investment that is reasonably calculated to increase broadband
2 Internet availability in this state. The purchaser shall claim the deduction in the
3 same reporting period as the purchaser paid the tax imposed under this subchapter.

4 ***-0377/P10.265* *-4294/P1.247* SECTION 415.** 77.54 (48) (b) of the statutes
5 is renumbered 77.585 (9) (b).

6 ***-0377/P10.266* *-4294/P1.248* SECTION 416.** 77.54 (49) of the statutes is
7 amended to read:

8 77.54 (49) The ~~gross receipts~~ sales price from the sale of and the storage, use,
9 or other consumption of taxable services and tangible personal property or items,
10 property, or goods under s. 77.52 (1) (b), (c), or (d), that ~~is~~ are physically transferred
11 to the purchaser as a necessary part of services that are subject to the taxes imposed
12 under s. 77.52 (2) (a) 7., 10., 11., and 20., if the seller and the purchaser of such
13 services and property, item, or good are members of the same affiliated group under
14 section 1504 of the Internal Revenue Code and are eligible to file a single
15 consolidated return for federal income tax purposes. For purposes of this subsection,
16 if a seller purchases a taxable service, or item, property, or goods under s. 77.52 (1)
17 (b), (c), or (d), or tangible personal property, as described in the this subsection, that
18 is subsequently sold to a member of the seller's affiliated group and the sale is exempt
19 under this subsection from the taxes imposed under this subchapter, the original
20 purchase of the taxable service, or item, property, or goods under s. 77.52 (1) (b), (c),
21 or (d), or tangible personal property by the seller is not considered a sale for resale
22 or exempt under this subsection.

23 ***-0377/P10.267* SECTION 417.** 77.54 (50) of the statutes is created to read:

24 77.54 (50) The sales price from the sale of and the storage, use, or other
25 consumption of specified digital goods or additional digital goods that are transferred

1 electronically to the purchaser, if the sale of and the storage, use, or other
2 consumption of such goods sold in a tangible form is exempt from taxation under this
3 subchapter.

4 ***-0377/P10.268* *-4294/P1.249* SECTION 418.** 77.54 (51) of the statutes is
5 created to read:

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

11 ***-0377/P10.269* *-4294/P1.250* SECTION 419.** 77.54 (52) of the statutes is
12 created to read:

13 77.54 (52) The sales price from the sales of and the storage, use, or other
14 consumption of products sold in a transaction that would be a bundled transaction,
15 except that the transaction meets the conditions described in s. 77.51 (1f) (e).

16 ***-0377/P10.270* *-4294/P1.251* SECTION 420.** 77.54 (54) of the statutes is
17 amended to read:

18 77.54 (54) The ~~gross receipts~~ sales price from the sale of and the storage, use,
19 or other consumption of tangible personal property, ~~and items, property, and goods~~
20 under s. 77.52 (1) (b), (c), and (d), and taxable services that are sold by a home
21 exchange service that receives moneys from the appropriation account under s.
22 20.485 (1) (g) and is operated by the department of veterans affairs.

23 ***-0377/P10.271* *-4294/P1.252* SECTION 421.** 77.54 (56) of the statutes, as
24 created by 2007 Wisconsin Act 20, is amended to read:

1 77.54 (56) (a) The ~~gross receipts~~ sales price from the sale of and the storage,
2 use, or other consumption of a product whose power source is wind energy, direct
3 radiant energy received from the sun, or gas generated from anaerobic digestion of
4 animal manure and other agricultural waste, if the product produces at least 200
5 watts of alternating current or 600 British thermal units per day, except that the
6 exemption under this subsection does not apply to an uninterruptible power source
7 that is designed primarily for computers.

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

12 ***-0377/P10.272* *-4294/P1.253* SECTION 422.** 77.55 (1) (intro.) of the
13 statutes is amended to read:

14 77.55 (1) (intro.) There ~~are~~ is exempted from the computation of the amount
15 of the sales tax the ~~gross receipts~~ sales price from the sale of any tangible personal
16 property, ~~or items, property, or goods under s. 77.52 (1) (b), (c), and (d),~~ or services to:

17 ***-0377/P10.273* *-4294/P1.254* SECTION 423.** 77.55 (2) of the statutes is
18 amended to read:

19 77.55 (2) There ~~are~~ is exempted from the computation of the amount of the sales
20 tax the ~~gross receipts~~ sales price from sales of tangible personal property, ~~and items,~~
21 property, and goods under s. 77.52 (1) (b), (c), and (d), to a common or contract carrier,
22 shipped by the seller via the purchasing carrier under a bill of lading whether the
23 freight is paid in advance, or the shipment is made freight charges collect, to a point
24 outside this state and the property, item, or good is actually transported to the

1 out-of-state destination for use by the carrier in the conduct of its business as a
2 carrier.

3 ***-0377/P10.274* *-4294/P1.255* SECTION 424.** 77.55 (2m) of the statutes is
4 amended to read:

5 77.55 (2m) There are is exempted from the computation of the amount of sales
6 tax the ~~gross receipts~~ sales price from sales of railroad crossties to a common or
7 contract carrier, shipped wholly or in part by way of the purchasing carrier under a
8 bill of lading, whether the freight is paid in advance or the shipment is made freight
9 charges collect, to a point outside this state if the property is transported to the
10 out-of-state destination for use by the carrier in the conduct of its business as a
11 carrier. Interruption of the shipment for storage, drying, processing or creosoting of
12 the railroad crossties in this state does not invalidate the exemption under this
13 subsection.

14 ***-0377/P10.275* *-4294/P1.256* SECTION 425.** 77.55 (3) of the statutes is
15 amended to read:

16 77.55 (3) There are is exempted from the computation of the amount of the sales
17 tax the ~~gross receipts~~ sales price from sales of tangible personal property, and items,
18 property, and goods under s. 77.52 (1) (b), (c), and (d), purchased for use solely outside
19 this state and delivered to a forwarding agent, export packer, or other person
20 engaged in the business of preparing goods for export or arranging for their
21 exportation, and actually delivered to a port outside the continental limits of the
22 United States prior to making any use thereof.

23 ***-0377/P10.276* *-4294/P1.257* SECTION 426.** 77.56 (1) of the statutes is
24 amended to read:

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

5 *~~-0377/P10.277~~* *~~-4294/P1.258~~* SECTION 427. 77.57 of the statutes is
6 amended to read:

7 **77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller
8 that the tangible personal property or items, property, or goods under s. 77.52 (1) (b),
9 (c), or (d) purchased will be used in a manner or for a purpose entitling the seller to
10 regard the ~~gross receipts sales price~~ sales price from the sale as exempted by this subchapter
11 from the computation of the amount of the sales tax and uses the property or items,
12 property, or goods under s. 77.52 (1) (b), (c), or (d) in some other manner or for some
13 other purpose, the purchaser is liable for payment of the sales tax. The tax shall be
14 measured by the sales price of the property or items, property, or goods under s. 77.52
15 (1) (b), (c), or (d) to the purchaser, ~~but if the taxable use first occurs more than 6~~
16 ~~months after the sale to the purchaser, the purchaser may use as the measure of the~~
17 ~~tax either that sales price or the fair market value of the property at the time the~~
18 ~~taxable use first occurs.~~

19 *~~-0377/P10.278~~* *~~-4294/P1.259~~* SECTION 428. 77.58 (3) (a) of the statutes is
20 amended to read:

21 77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller.
22 For purposes of the use tax a return shall be filed by every retailer engaged in
23 business in this state and by every person purchasing tangible personal property, or
24 items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services, the storage, use,
25 or other consumption of which is subject to the use tax, who has not paid the use tax

1 due to a retailer required to collect the tax. If a qualified subchapter S subsidiary
2 is not regarded as a separate entity under ch. 71, the owner of that subsidiary shall
3 include the information for that subsidiary on the owner's return. Returns shall be
4 signed by the person required to file the return or by a duly authorized agent but need
5 not be verified by oath. If a single-owner entity is disregarded as a separate entity
6 under ch. 71, the owner shall include the information from the entity on the owner's
7 return.

8 ***-0377/P10.279* *-4294/P1.260* SECTION 429.** 77.58 (3) (b) of the statutes is
9 amended to read:

10 77.58 (3) (b) ~~For purposes of the sales tax the return shall show the gross~~
11 ~~receipts of the seller during the preceding reporting period. For purposes of the use~~
12 ~~tax, in case of a return filed by a retailer, the return shall show the total sales price~~
13 ~~of the property or taxable services sold, the storage, use or consumption of which~~
14 ~~became subject to the use tax during the preceding reporting period. In case of a sales~~
15 ~~or use tax return filed by a purchaser, the return shall show the total sales price of~~
16 ~~the property and taxable services purchased, the storage, use or consumption of~~
17 ~~which became subject to the use tax during the preceding reporting period. The~~
18 return shall also show the amount of the taxes for the period covered by the return
19 and such other information as the department deems necessary for the proper
20 administration of this subchapter.

21 ***-0377/P10.280* *-4294/P1.261* SECTION 430.** 77.58 (6) of the statutes is
22 amended to read:

23 77.58 (6) For the purposes of the sales tax gross receipts, the sales price from
24 rentals or leases of tangible personal property or items, property, or goods under s.

1 77.52(1)(b), (c), or (d) shall be reported and the tax paid in accordance with such rules
2 as the department prescribes.

3 ***-0377/P10.281* *-4294/P1.262* SECTION 431.** 77.58 (6m) of the statutes is
4 created to read:

5 77.58 (6m) (a) The department may, in cases where it is satisfied that an undue
6 hardship would otherwise result, permit the reporting of a sales price or purchase
7 price on some basis other than the accrual basis.

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

12 ***-0377/P10.282* *-4294/P1.263* SECTION 432.** 77.58 (9a) of the statutes is
13 created to read:

14 77.58 (9a) In addition to filing a return as provided in this section, a person
15 described under s. 77.524 (3), (4), or (5) shall provide to the department any
16 information that the department considers necessary for the administration of this
17 subchapter, in the manner prescribed by the department, except that the
18 department may not require that the person provide such information to the
19 department more than once every 180 days.

20 ***-0377/P10.283* *-4294/P1.264* SECTION 433.** 77.585 of the statutes is
21 created to read:

22 **77.585 Return adjustments.** (1) (a) In this subsection, "bad debt" means the
23 portion of the sales price or purchase price that the seller has reported as taxable
24 under this subchapter and that the seller may claim as a deduction under section 166
25 of the Internal Revenue Code. "Bad debt" does not include financing charges or

1 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible
2 amounts on tangible personal property or items, property, or goods under s. 77.52 (1)
3 (b), (c), or (d) that remain in the seller's possession until the full sales price or
4 purchase price is paid, expenses incurred in attempting to collect any debt, debts sold
5 or assigned to 3rd parties for collection, and repossessed property or items.

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

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

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

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

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

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

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

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

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

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

1 **(7)** For sales tax purposes, if a retailer establishes to the department's
2 satisfaction that the sales tax has been added to the total amount of the sales price
3 and has not been absorbed by the retailer, the total amount of the sales price shall
4 be the amount received exclusive of the sales tax imposed.

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

11 ***-0377/P10.284*** ***-4294/P1.265*** **SECTION 434.** 77.59 (2m) of the statutes is
12 created to read:

13 **77.59 (2m)** The department may audit, or may authorize others to audit, sellers
14 and certified service providers who are registered with the department pursuant to
15 the agreement, as defined in s. 77.65 (2) (a).

16 ***-0377/P10.285*** ***-4294/P1.266*** **SECTION 435.** 77.59 (5m) of the statutes is
17 amended to read:

18 **77.59 (5m)** A seller who receives a refund under sub. (4) (a) or (b) of taxes that
19 the seller has collected from buyers, who collects amounts as taxes erroneously from
20 buyers, but who does not remit such amounts to the state, or who is entitled to a
21 refund under sub. (4) (a) or (b) that is offset under sub. (5), shall submit the taxes and
22 related interest to the buyers from whom the taxes were collected, or to the
23 department if the seller cannot locate the buyers, within 90 days after the date of the
24 refund, after the date of the offset, or after discovering that the seller has collected
25 taxes erroneously from the buyers. If the seller does not submit the taxes and related

1 interest to the department or the buyers within that period, the seller shall submit
2 to the department any part of a refund or taxes that the seller does not submit to a
3 buyer or to the department along with a penalty of 25% of the amount not submitted
4 or, in the case of fraud, a penalty equal to the amount not submitted. A person who
5 collects amounts as taxes erroneously from buyers for a real property construction
6 activity or nontaxable service may reduce the taxes and interest that he or she is
7 required to submit to the buyer or to the department under this subsection for that
8 activity or service by the amount of tax and interest subsequently due and paid on
9 the sale of or the storage, use, or other consumption of tangible personal property, or
10 items, property, or goods under s. 77.52 (1) (b), (c), or (d) that is are used by the person
11 in that activity or service and transferred to the buyer.

12 ***-0377/P10.286* *-4294/P1.267* SECTION 436.** 77.59 (9) of the statutes is
13 amended to read:

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

1 a determination may be made at any time thereafter, within the periods specified in
2 sub. (3), as to liability arising out of that business.

3 ***-0377/P10.287* *-4294/P1.268* SECTION 437.** 77.59 (9n) of the statutes is
4 created to read:

5 77.59 (9n) (a) Notwithstanding s. 73.03 (47), and except as provided in par. (b),
6 no seller or certified service provider is liable for tax, interest, or penalties imposed
7 on a transaction under this subchapter if the seller or certified service provider
8 charged and collected the incorrect amount of the sales or use tax as a result of
9 relying on erroneous data provided in the databases under s. 73.03 (61) (e) and (f).

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

23 (c) A purchaser is not liable for the tax, interest, or penalties imposed on a
24 transaction under this subchapter if the seller or certified service provider from
25 whom the purchaser made the purchase relied on erroneous data provided in the

1 databases under s. 73.03 (61) (e) and (f) or if the purchaser relied on erroneous data
2 provided in the databases under s. 73.03 (61) (e) and (f). With respect to reliance on
3 the database provided under s. 73.03 (61) (e), the relief provided under this
4 paragraph is limited to the erroneous classification in the database of terms defined
5 in this subchapter and specifically identified in the database as being “taxable,”
6 “exempt,” “included in sales price” or “excluded from sales price,” or “included in the
7 definition” or “excluded from the definition.”

8 ***-0377/P10.288* *-4294/P1.269* SECTION 438.** 77.59 (9p) (b) of the statutes
9 is created to read:

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

1 subchapter on a service that is not subject to 4 USC 116 to 126, as amended by P.L.
2 106-252, tangible personal property, or items, property, or goods under s. 77.52 (1)
3 (b), (c), or (d) unless the customer has exhausted his or her remedies under this
4 paragraph.

5 ***-0377/P10.289* *-4294/P1.270* SECTION 439.** 77.59 (9r) of the statutes is
6 created to read:

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

13 ***-0377/P10.290* *-4294/P1.271* SECTION 440.** 77.60 (13) of the statutes is
14 created to read:

15 77.60 (13) A person who uses any of the following documents in a manner that
16 is prohibited by or inconsistent with this subchapter, or provides incorrect
17 information to a seller or certified service provider related to the use of such
18 documents or regarding an exemption to the taxes imposed under this subchapter,
19 shall pay a penalty of \$250 for each invoice or bill of sale related to the prohibited or
20 inconsistent use or incorrect information:

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

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

23 (c) An exemption certificate claiming direct mail.

24 ***-0377/P10.291* *-4294/P1.272* SECTION 441.** 77.61 (1) (b) of the statutes is
25 amended to read:

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

6 ***-0377/P10.292*** ***-4294/P1.273*** SECTION 442. 77.61 (1) (c) of the statutes is
7 amended to read:

8 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, recreational
9 vehicles, as defined in s. 340.01 (48r), trailers, semitrailers, all-terrain vehicles, or
10 aircraft registered or titled, or required to be registered or titled, in this state
11 purchased from persons who are not ~~Wisconsin boat, trailer, or semitrailer dealers,~~
12 ~~licensed Wisconsin aircraft, motor vehicle, or recreational vehicle, as defined in s.~~
13 ~~340.01 (48r), dealers or registered Wisconsin snowmobile or all-terrain vehicle~~
14 ~~dealers~~ retailers, the purchaser shall file a sales tax return and pay the tax prior to
15 registering or titling the motor vehicle, boat, snowmobile, recreational vehicle, as
16 defined in s. 340.01 (48r), semitrailer, all-terrain vehicle, or aircraft in this state.

17 ***-0377/P10.293*** ***-4294/P1.274*** SECTION 443. 77.61 (2) of the statutes is
18 renumbered 77.61 (2) (intro.) and amended to read:

19 77.61 (2) (intro.) In order to protect the revenue of the state:

20 (a) Except as provided in par. (b), the department may require any person who
21 is or will be liable to it for the tax imposed by this subchapter to place with it, before
22 or after a permit is issued, the security, not in excess of \$15,000, that the department
23 determines. In determining the amount of security to require under this subsection,
24 the department may consider the person's payment of other taxes administered by
25 the department and any other relevant facts. If any taxpayer fails or refuses to place

1 that security, the department may refuse or revoke the permit. If any taxpayer is
2 delinquent in the payment of the taxes imposed by this subchapter, the department
3 may, upon 10 days' notice, recover the taxes, interest, costs and penalties from the
4 security placed with the department by the taxpayer in the following order: costs,
5 penalties, delinquent interest, delinquent tax. No interest may be paid or allowed
6 by the state to any person for the deposit of security. Any security deposited under
7 this subsection shall be returned to the taxpayer if the taxpayer has, for 24
8 consecutive months, complied with all the requirements of this subchapter.

9 ***-0377/P10.294* *-4294/P1.275* SECTION 444.** 77.61 (2) (b) of the statutes is
10 created to read:

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

1 ***-0377/P10.295* *-4294/P1.276* SECTION 445.** 77.61 (3) of the statutes is
2 repealed.

3 ***-0377/P10.296* *-4294/P1.277* SECTION 446.** 77.61 (3m) of the statutes is
4 created to read:

5 77.61 (3m) A retailer shall use a straight mathematical computation to
6 determine the amount of the tax that the retailer may collect from the retailer's
7 customers. The retailer shall calculate the tax amount by combining the applicable
8 tax rates under this subchapter and subch. V and multiplying the combined tax rate
9 by the sales price or purchase price of each item or invoice, as appropriate. The
10 retailer shall calculate the tax amount to the 3rd decimal place, disregard tax
11 amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less
12 than 1 cent to be an additional cent. The use of a straight mathematical computation,
13 as provided in this subsection, shall not relieve the retailer from liability for payment
14 of the full amount of the tax levied under this subchapter.

15 ***-0377/P10.297* *-4294/P1.278* SECTION 447.** 77.61 (4) (a) of the statutes is
16 amended to read:

17 77.61 (4) (a) Every seller and retailer and every person storing, using or
18 otherwise consuming in this state tangible personal property, or items, property, or
19 goods under s. 77.52 (1) (b), (c), or (d), or taxable services purchased from a retailer
20 shall keep such records, receipts, invoices, and other pertinent papers and records,
21 including machine-readable records, in such form as the department requires. The
22 department may, after giving notice, require any person to keep whatever records are
23 needed for the department to compute the sales or use taxes the person should pay.
24 Thereafter, the department shall add to any taxes assessed on the basis of

1 information not contained in the records required a penalty of 25% of the amount of
2 the tax so assessed in addition to all other penalties under this chapter.

3 ***-0377/P10.298* *-4294/P1.279* SECTION 448.** 77.61 (4) (c) of the statutes is
4 amended to read:

5 77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax
6 imposed on the retailer under s. 77.53 (3) and the accounting connected with it,
7 retailers, not including certified service providers that receive compensation under
8 s. 73.03 (61) (h), may deduct 0.5% of those taxes payable or \$10 for that reporting
9 period required under s. 77.58 (1), whichever is greater, but not more than the
10 amount of the sales taxes or use taxes that is payable under ss. 77.52 (1) and 77.53
11 (3) for that reporting period required under s. 77.58 (1), as administration expenses
12 if the payment of the taxes is not delinquent. For purposes of calculating the
13 retailer's discount under this paragraph, the taxes on retail sales reported by
14 retailers under subch. V, including taxes collected and remitted as required under
15 s. 77.785, shall be included if the payment of those taxes is not delinquent.

16 ***-0377/P10.299* *-4294/P1.280* SECTION 449.** 77.61 (5m) of the statutes is
17 created to read:

18 77.61 (5m) (a) In this subsection, "personally identifiable information" means
19 any information that identifies a person.

20 (b) A certified service provider may use personally identifiable information as
21 necessary only for the administration of its system to perform a seller's sales and use
22 tax functions and shall provide consumers clear and conspicuous notice of its practice
23 regarding such information, including what information it collects, how it collects
24 the information, how it uses the information, how long, if at all, it retains the

1 information, and under what circumstances it discloses the information to states
2 participating in the agreement, as defined in 77.65 (2) (a).

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

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

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

13 (f) The state shall not retain personally identifiable information obtained for
14 purposes of administering this subchapter unless the state is otherwise required to
15 retain the information by law or as provided under the agreement, as defined in s.
16 77.65 (2) (a).

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

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

1 ***-0377/P10.300* *-4294/P1.281* SECTION 450.** 77.61 (11) of the statutes is
2 amended to read:

3 77.61 (11) Any city, village or town clerk or other official whose duty it is to issue
4 licenses or permits to engage in a business involving the sale at retail of tangible
5 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) subject
6 to tax under this subchapter, or the furnishing of services so subject to tax, shall,
7 before issuing such license or permit, require proof that the person to whom such
8 license or permit is to be issued is the holder of a seller's permit ~~as required by or is~~
9 registered to collect, report, and remit use tax under this subchapter or has been
10 informed by an employee of the department that the department will issue a seller's
11 permit to that person or register that person to collect, report, and remit use tax.

12 ***-0377/P10.301* *-4294/P1.282* SECTION 451.** 77.61 (16) of the statutes is
13 created to read:

14 77.61 (16) Any person who remits taxes and files returns under this subchapter
15 may designate an agent, as defined in s. 77.524 (1) (ag), to remit such taxes and file
16 such returns with the department in a manner prescribed by the department.

17 ***-0377/P10.302* *-4294/P1.283* SECTION 452.** 77.61 (17) of the statutes is
18 created to read:

19 77.61 (17) With regard to services subject to the tax under s. 77.52 (2) or the
20 lease, rental, or license of tangible personal property and property, items, and goods
21 specified under s. 77.52 (1) (b), (c), and (d), an increase in the tax rate applies to the
22 first billing period beginning on or after the rate increase's effective date and a
23 decrease in the tax rate applies to bills that are rendered on or after the rate
24 decrease's effective date.

25 ***-0377/P10.303* SECTION 453.** 77.61 (18) of the statutes is created to read:

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

5 *~~0377/P10.304~~* *~~4294/P1.284~~* **SECTION 454.** 77.63 of the statutes is
6 repealed and recreated to read:

7 **77.63 Collection compensation.** The following persons may retain a portion
8 of sales and use taxes collected on retail sales under this subchapter and subch. V
9 in an amount determined by the department and by contracts that the department
10 enters into jointly with other states as a member state of the streamlined sales tax
11 governing board pursuant to the agreement, as defined in s. 77.65 (2) (a):

12 (1) A certified service provider.

13 (2) A seller that uses a certified automated system, as defined in s. 77.524 (1)
14 (am).

15 (3) A seller that sells tangible personal property, or items, property, or goods
16 under s. 77.52 (1) (b), (c), or (d), or taxable services in at least 5 states that are
17 signatories to the agreement, as defined in s. 77.65 (2) (a); that has total annual sales
18 revenue of at least \$500,000,000; that has a proprietary system that calculates the
19 amount of tax owed to each taxing jurisdiction in which the seller sells tangible
20 personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or
21 taxable services; and that has entered into a performance agreement with the states
22 that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of
23 this subsection, "seller" includes an affiliated group of sellers using the same
24 proprietary system to calculate the amount of tax owed in each taxing jurisdiction

1 in which the sellers sell tangible personal property, or items, property, or goods under
2 s. 77.52 (1) (b), (c), or (d), or taxable services.

3 ***-0377/P10.305* *-4294/P1.285* SECTION 455.** 77.65 (2) (a) of the statutes is
4 amended to read:

5 77.65 (2) (a) "Agreement" means the streamlined sales and use tax agreement,
6 including amendments to the agreement.

7 ***-0377/P10.306* *-4294/P1.286* SECTION 456.** 77.65 (2) (c) of the statutes is
8 repealed.

9 ***-0377/P10.307* *-4294/P1.287* SECTION 457.** 77.65 (2) (e) of the statutes is
10 amended to read:

11 77.65 (2) (e) "Seller" means any person who sells, licenses, leases, or rents
12 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or
13 (d), or services.

14 ***-0377/P10.308* *-4294/P1.288* SECTION 458.** 77.65 (2) (f) of the statutes is
15 amended to read:

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

18 ***-0377/P10.309* *-4294/P1.289* SECTION 459.** 77.65 (4) (fm) of the statutes
19 is created to read:

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