

1 becomes ineligible for tax benefits; or succeeding taxable years and the claimant may
2 not carry over unused credits from previous years to offset the tax imposed under s.
3 71.23 for the taxable year that includes the day on which certification is revoked; the
4 taxable year that includes the day on which the claimant becomes ineligible for tax
5 benefits; or succeeding taxable years.

6 3. Subsection (4) (g) and (h), as it applies to the credit under sub. (4), applies
7 to the credit under this subsection.

8 **SECTION 101.** 71.28 (3p) (a) 1m. of the statutes is created to read:

9 71.28 (3p) (a) 1m. "Dairy cooperative" means a business organized under ch.
10 185 or 193 for the purpose of obtaining or processing milk.

11 **SECTION 102.** 71.28 (3p) (a) 3. (intro.) of the statutes is amended to read:

12 71.28 (3p) (a) 3. (intro.) "Dairy manufacturing modernization or expansion"
13 means constructing, improving, or acquiring buildings or facilities, or acquiring
14 equipment, for dairy manufacturing, including the following, if used exclusively for
15 dairy manufacturing and if acquired and placed in service in this state during
16 taxable years that begin after December 31, 2006, and before January 1, 2015, or, in
17 the case of dairy cooperatives, if acquired and placed in service in this state during
18 taxable years that begin after December 31, 2008, and before January 1, 2017:

19 **SECTION 103.** 71.28 (3p) (b) of the statutes is amended to read:

20 71.28 (3p) (b) *Filing claims.* Subject to the limitations provided in this
21 subsection and s. 560.207, except as provided in par. (c) 5., for taxable years
22 beginning after December 31, 2006, and before January 1, 2015, a claimant may
23 claim as a credit against the taxes imposed under s. 71.23, up to the amount of the
24 tax, an amount equal to 10 percent of the amount the claimant paid in the taxable

1 year for dairy manufacturing modernization or expansion related to the claimant's
2 dairy manufacturing operation.

3 **SECTION 104.** 71.28 (3p) (c) 2m. b. of the statutes is amended to read:

4 71.28 (3p) (c) 2m. b. The maximum amount of the credits that may be claimed
5 by all claimants, other than members of dairy cooperatives, under this subsection
6 and ss. 71.07 (3p) and 71.47 (3p) in fiscal year 2008-09, and in each fiscal year
7 thereafter, is \$700,000, as allocated under s. 560.207.

8 **SECTION 105.** 71.28 (3p) (c) 2m. bm. of the statutes is created to read:

9 71.28 (3p) (c) 2m. bm. The maximum amount of the credits that may be claimed
10 by members of dairy cooperatives under this subsection and ss. 71.07 (3p) and 71.47
11 (3p) in fiscal year 2009-10 is \$600,000, as allocated under s. 560.207, and the
12 maximum amount of the credits that may be claimed by members of dairy
13 cooperatives under this subsection and ss. 71.07 (3p) and 71.47 (3p) in fiscal year
14 2010-11, and in each fiscal year thereafter, is \$700,000, as allocated under s.
15 560.207.

16 **SECTION 106.** 71.28 (3p) (c) 3. of the statutes is amended to read:

17 71.28 (3p) (c) 3. Partnerships, limited liability companies, ~~and~~ tax-option
18 corporations, and dairy cooperatives may not claim the credit under this subsection,
19 but the eligibility for, and the amount of, the credit are based on their payment of
20 expenses under par. (b), except that the aggregate amount of credits that the entity
21 may compute shall not exceed \$200,000 for each of the entity's dairy manufacturing
22 facilities. A partnership, limited liability company, ~~or~~ tax-option corporation, or
23 dairy cooperative shall compute the amount of credit that each of its partners,
24 members, or shareholders may claim and shall provide that information to each of
25 them. Partners, members of limited liability companies, and shareholders of

1 tax-option corporations may claim the credit in proportion to their ownership
2 interest. Members of a dairy cooperative may claim the credit in proportion to the
3 amount of milk that each member delivers to the dairy cooperative, as determined
4 by the dairy cooperative.

5 **SECTION 107.** 71.28 (3p) (c) 5. of the statutes is created to read:

6 71.28 (3p) (c) 5. A claimant who is a member of a dairy cooperative may claim
7 the credit, based on amounts described under par. (b) that are paid by the dairy
8 cooperative, for taxable years beginning after December 31, 2008, and before
9 January 1, 2017.

10 **SECTION 108.** 71.28 (3p) (c) 6. of the statutes is created to read:

11 71.28 (3p) (c) 6. No credit may be allowed under this subsection unless the
12 claimant submits with the claimant's return a copy of the claimant's credit
13 certification and allocation under s. 560.207.

14 **SECTION 109.** 71.28 (3p) (d) 2. of the statutes is amended to read:

15 71.28 (3p) (d) 2. If Except as provided in subd. 3., if the allowable amount of
16 the claim under par. (b) exceeds the tax otherwise due under s. 71.23 ~~or no tax is due~~
17 ~~under s. 71.23,~~ the amount of the claim not used to offset the tax due shall be certified
18 by the department of revenue to the department of administration for payment by
19 check, share draft, or other draft drawn from the appropriation account under s.
20 20.835 (2) (bn).

21 **SECTION 110.** 71.28 (3p) (d) 3. of the statutes is created to read:

22 71.28 (3p) (d) 3. With regard to claims that are based on amounts described
23 under par. (b) that are paid by a dairy cooperative, if the allowable amount of the
24 claim under par. (b) exceeds the tax otherwise due under s. 71.23, the amount of the
25 claim not used to offset the tax due shall be certified by the department of revenue

1 to the department of administration for payment by check, share draft, or other draft
2 drawn from the appropriation account under s. 20.835 (2) (bp).

3 **SECTION 111.** 71.28 (3r) of the statutes is created to read:

4 **71.28 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT.** (a) *Definitions.* In this
5 subsection:

6 1. "Claimant" means a person who files a claim under this subsection.

7 2. "Meat processing" means processing livestock into meat products or
8 processing meat products for sale commercially.

9 3. "Meat processing modernization or expansion" means constructing,
10 improving, or acquiring buildings or facilities, or acquiring equipment, for meat
11 processing, including the following, if used exclusively for meat processing and if
12 acquired and placed in service in this state during taxable years that begin after
13 December 31, 2008, and before January 1, 2017:

14 a. Building construction, including livestock handling, product intake, storage,
15 and warehouse facilities.

16 b. Building additions.

17 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing,
18 and waste facilities.

19 d. Livestock intake and storage equipment.

20 e. Processing and manufacturing equipment, including cutting equipment,
21 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking
22 equipment, pipes, motors, pumps, and valves.

23 f. Packaging and handling equipment, including sealing, bagging, boxing,
24 labeling, conveying, and product movement equipment.

25 g. Warehouse equipment, including storage and curing racks.

1 h. Waste treatment and waste management equipment, including tanks,
2 blowers, separators, dryers, digesters, and equipment that uses waste to produce
3 energy, fuel, or industrial products.

4 i. Computer software and hardware used for managing the claimant's meat
5 processing operation, including software and hardware related to logistics,
6 inventory management, production plant controls, and temperature monitoring
7 controls.

8 4. "Used exclusively" means used to the exclusion of all other uses except for
9 use not exceeding 5 percent of total use.

10 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
11 560.208, for taxable years beginning after December 31, 2008, and before January
12 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.23,
13 up to the amount of the tax, an amount equal to 10 percent of the amount the
14 claimant paid in the taxable year for meat processing modernization or expansion
15 related to the claimant's meat processing operation.

16 (c) *Limitations.* 1. No credit may be allowed under this subsection for any
17 amount that the claimant paid for expenses described under par. (b) that the
18 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

19 2. The aggregate amount of credits that a claimant may claim under this
20 subsection is \$200,000.

21 3. a. The maximum amount of the credits that may be allocated under this
22 subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2009-10 is \$300,000, as
23 allocated under s. 560.208.

1 b. The maximum amount of the credits that may be allocated under this
2 subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal
3 year thereafter, is \$700,000, as allocated under s. 560.208.

4 4. Partnerships, limited liability companies, and tax-option corporations may
5 not claim the credit under this subsection, but the eligibility for, and the amount of,
6 the credit are based on their payment of expenses under par. (b), except that the
7 aggregate amount of credits that the entity may compute shall not exceed \$200,000.
8 A partnership, limited liability company, or tax-option corporation shall compute
9 the amount of credit that each of its partners, members, or shareholders may claim
10 and shall provide that information to each of them. Partners, members of limited
11 liability companies, and shareholders of tax-option corporations may claim the
12 credit in proportion to their ownership interest.

13 5. If 2 or more persons own and operate the meat processing operation, each
14 person may claim a credit under par. (b) in proportion to his or her ownership
15 interest, except that the aggregate amount of the credits claimed by all persons who
16 own and operate the meat processing operation shall not exceed \$200,000.

17 6. No credit may be allowed under this subsection unless the claimant submits
18 with the claimant's return a copy of the claimant's credit certification and allocation
19 under s. 560.208.

20 (d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit
21 under sub. (4), applies to the credit under this subsection.

22 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
23 due under s. 71.23, the amount of the claim not used to offset the tax due shall be
24 certified by the department of revenue to the department of administration for

1 payment by check, share draft, or other draft drawn from the appropriation account
2 under s. 20.835 (2) (bd).

3 **SECTION 112.** 71.28 (4m) of the statutes is created to read:

4 71.28 (4m) SUPER RESEARCH AND DEVELOPMENT CREDIT. (a) *Definition.* In this
5 subsection, "qualified research expenses" means qualified research expenses as
6 defined in section 41 of the Internal Revenue Code, except that "qualified research
7 expenses" includes only expenses incurred by the claimant for research conducted
8 in this state for the taxable year and except that "qualified research expenses" do not
9 include compensation used in computing the credits under subs. (1dj) and (1dx).

10 (b) *Credit.* Subject to the limitations provided under this subsection, for
11 taxable years beginning on or after January 1, 2011, a corporation may claim as a
12 credit against the tax imposed under s. 71.23, up to the amount of those taxes, an
13 amount equal to the amount of qualified research expenses paid or incurred by the
14 corporation in the taxable year that exceeds the amount calculated as follows:

15 1. Determine the average amount of the qualified research expenses paid or
16 incurred by the corporation in the 3 taxable years immediately preceding the taxable
17 year for which a credit is claimed under this subsection.

18 2. Multiply the amount determined under subd. 1. by 1.25.

19 (c) *Limitations.* Subsection (4) (b) to (d) and (i), as it applies to the credit under
20 sub. (4), applies to the credit under this subsection.

21 (d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit
22 under sub. (4), applies to the credit under this subsection.

23 2. If a credit computed under this subsection is not entirely offset against
24 Wisconsin income or franchise taxes otherwise due, the unused balance may be
25 carried forward and credited against Wisconsin income or franchise taxes otherwise

1 due for the following 5 taxable years to the extent not offset by these taxes otherwise
2 due in all intervening years between the year in which the expense was incurred and
3 the year in which the carry-forward credit is claimed.

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4 **SECTION 113.** 71.28 (5b) (c) 1. of the statutes is amended to read:

5 71.28 (5b) (c) 1. Except as provided in s. 73.03 (63), the maximum amount of
6 the credits that may be claimed under this subsection and ss. 71.07 (5b) and, 71.47
7 (5b), and 76.638 for all taxable years combined is \$52,500,000.

8 **SECTION 114.** 71.28 (5e) (b) of the statutes is amended to read:

9 71.28 (5e) (b) *Filing claims.* Subject to the limitations provided in this
10 subsection and subject to 2005 Wisconsin Act 479, section 17, beginning in the first
11 taxable year following the taxable year in which the claimant claims ~~an exemption~~
12 a deduction under s. ~~77.54 (48)~~ 77.585 (9), a claimant may claim as a credit against
13 the taxes imposed under s. 71.23, up to the amount of those taxes, in each taxable
14 year for 2 years, the amount of sales and use tax certified by the department of
15 commerce that resulted from the claimant ~~claimed as an exemption~~ claiming a
16 deduction under s. ~~77.54 (48)~~ 77.585 (9).

17 **SECTION 115.** 71.28 (5e) (c) 1. of the statutes is amended to read:

18 71.28 (5e) (c) 1. No credit may be allowed under this subsection unless the
19 claimant satisfies the requirements under s. ~~77.54 (48)~~ 77.585 (9).

20 **SECTION 116.** 71.28 (5e) (c) 3. of the statutes is amended to read:

21 71.28 (5e) (c) 3. The total amount of the credits and exemptions the sales and
22 use tax resulting from the deductions claimed under s. 77.585 (9) that may be claimed
23 by all claimants under this subsection and ss. 71.07 (5e), 71.47 (5e), and ~~77.54 (48)~~
24 77.585 (9) is \$7,500,000, as determined by the department of commerce.

25 **SECTION 117.** 71.30 (3) (db) of the statutes is created to read:

1 71.30 (3) (db) Super research and development credit under s. 71.28 (4m).

2 SECTION 118. 71.30 (3) (em) of the statutes is renumbered 71.30 (3) (eh).

3 SECTION 119. 71.30 (3) (ema) of the statutes is created to read:

4 71.30 (3) (ema) Economic development tax credit under s. 71.28 (1dy).

5 SECTION 120. 71.30 (3) (emb) of the statutes is renumbered 71.30 (3) (ei).

6 SECTION 121. 71.30 (3) (en) of the statutes is renumbered 71.30 (3) (ej).

7 SECTION 122. 71.30 (3) (eo) of the statutes is renumbered 71.30 (3) (ek).

8 SECTION 123. 71.30 (3) (eom) of the statutes is renumbered 71.30 (3) (eL).

9 SECTION 124. 71.30 (3) (f) of the statutes is amended to read:

10 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
11 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
12 s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p),
13 meat processing facility investment credit under s. 71.28 (3r), enterprise zone jobs
14 credit under s. 71.28 (3w), film production services credit under s. 71.28 (5f) (b) 2.,
15 and estimated tax payments under s. 71.29.

16 SECTION 125. 71.34 (1k) (g) of the statutes is amended to read:

17 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
18 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
19 (3), (3g), (3h), (3n), (3p), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and
20 passed through to shareholders.

21 SECTION 126. 71.365 (3) of the statutes is amended to read:

22 71.365 (3) CREDITS NOT ALLOWED. The credits under s. 71.28 (4), (4m), and (5)
23 may not be claimed by a tax-option corporation or shareholders of a tax-option
24 corporation.

25 SECTION 127. 71.45 (2) (a) 10. of the statutes is amended to read:

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1 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
2 computed under s. 71.47 (1dd) to ~~(1dx)~~ (1dy), (3h), (3n), (3p), ~~(3r)~~, (3w), (5e), (5f), (5g),
3 (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited liability
4 company, or tax-option corporation that has added that amount to the partnership's,
5 limited liability company's, or tax-option corporation's income under s. 71.21 (4) or
6 71.34 (1k) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m),
7 and (5).

8 **SECTION 128.** 71.47 (1dy) of the statutes is created to read:

9 71.47 **(1dy)** ECONOMIC DEVELOPMENT TAX CREDIT. (a) *Definition.* In this
10 subsection, "claimant" means a person who files a claim under this subsection and
11 is certified under s. 560.701 (2) and authorized to claim tax benefits under s. 560.703.

12 (b) *Filing claims.* Subject to the limitations under this subsection and ss.
13 560.701 to 560.706, for taxable years beginning after December 31, 2008, a claimant
14 may claim as a credit against the tax imposed under s. 71.43, up to the amount of the
15 tax, the amount authorized for the claimant under s. 560.703.

16 (c) *Limitations.* 1. No credit may be allowed under this subsection unless the
17 claimant includes with the claimant's return a copy of the claimant's certification
18 under s. 560.701 (2) and a copy of the claimant's notice of eligibility to receive tax
19 benefits under s. 560.703 (3).

20 2. Partnerships, limited liability companies, and tax-option corporations may
21 not claim the credit under this subsection, but the eligibility for, and the amount of,
22 the credit are based on their authorization to claim tax benefits under s. 560.703.
23 A partnership, limited liability company, or tax-option corporation shall compute
24 the amount of credit that each of its partners, members, or shareholders may claim
25 and shall provide that information to each of them. Partners, members of limited

1 liability companies, and shareholders of tax-option corporations may claim the
2 credit in proportion to their ownership interests.

3 (d) *Administration.* 1. Except as provided in subd. 2., sub. (4) (e) and (f), as it
4 applies to the credit under sub. (4), applies to the credit under this subsection.

5 2. If a claimant's certification is revoked under s. 560.705, or if a claimant
6 becomes ineligible for tax benefits under s. 560.702, the claimant may not claim
7 credits under this subsection for the taxable year that includes the day on which the
8 certification is revoked; the taxable year that includes the day on which the claimant
9 becomes ineligible for tax benefits; or succeeding taxable years and the claimant may
10 not carry over unused credits from previous years to offset the tax imposed under s.
11 71.43 for the taxable year that includes the day on which certification is revoked; the
12 taxable year that includes the day on which the claimant becomes ineligible for tax
13 benefits; or succeeding taxable years.

14 3. Subsection (4) (g) and (h), as it applies to the credit under sub. (4), applies
15 to the credit under this subsection.

16 **SECTION 129.** 71.47 (3p) (a) 1m. of the statutes is created to read:

17 71.47 (3p) (a) 1m. "Dairy cooperative" means a business organized under ch.
18 185 or 193 for the purpose of obtaining or processing milk.

19 **SECTION 130.** 71.47 (3p) (a) 3. (intro.) of the statutes is amended to read:

20 71.47 (3p) (a) 3. (intro.) "Dairy manufacturing modernization or expansion"
21 means constructing, improving, or acquiring buildings or facilities, or acquiring
22 equipment, for dairy manufacturing, including the following, if used exclusively for
23 dairy manufacturing and if acquired and placed in service in this state during
24 taxable years that begin after December 31, 2006, and before January 1, 2015, or, in

1 the case of dairy cooperatives, if acquired and placed in service in this state during
2 taxable years that begin after December 31, 2008, and before January 1, 2017:

3 **SECTION 131.** 71.47 (3p) (b) of the statutes is amended to read:

4 71.47 (3p) (b) *Filing claims.* Subject to the limitations provided in this
5 subsection and s. 560.207, except as provided in par. (c) 5., for taxable years
6 beginning after December 31, 2006, and before January 1, 2015, a claimant may
7 claim as a credit against the taxes imposed under s. 71.43, up to the amount of the
8 tax, an amount equal to 10 percent of the amount the claimant paid in the taxable
9 year for dairy manufacturing modernization or expansion related to the claimant's
10 dairy manufacturing operation.

11 **SECTION 132.** 71.47 (3p) (c) 2m. b. of the statutes is amended to read:

12 71.47 (3p) (c) 2m. b. The maximum amount of the credits that may be claimed
13 by all claimants, other than members of dairy cooperatives, under this subsection
14 and ss. 71.07 (3p) and 71.28 (3p) in fiscal year 2008-09, and in each fiscal year
15 thereafter, is \$700,000, as allocated under s. 560.207.

16 **SECTION 133.** 71.47 (3p) (c) 2m. bm. of the statutes is created to read:

17 71.47 (3p) (c) 2m. bm. The maximum amount of the credits that may be claimed
18 by members of dairy cooperatives under this subsection and ss. 71.07 (3p) and 71.28
19 (3p) in fiscal year 2009-10 is \$600,000, as allocated under s. 560.207, and the
20 maximum amount of the credits that may be claimed by members of dairy
21 cooperatives under this subsection and ss. 71.07 (3p) and 71.28 (3p) in fiscal year
22 2010-11, and in each fiscal year thereafter, is \$700,000, as allocated under s.
23 560.207.

24 **SECTION 134.** 71.47 (3p) (c) 3. of the statutes is amended to read:

1 71.47 (3p) (c) 3. Partnerships, limited liability companies, and tax-option
2 corporations, and dairy cooperatives may not claim the credit under this subsection,
3 but the eligibility for, and the amount of, the credit are based on their payment of
4 expenses under par. (b), except that the aggregate amount of credits that the entity
5 may compute shall not exceed \$200,000 for each of the entity's dairy manufacturing
6 facilities. A partnership, limited liability company, ~~or~~ tax-option corporation, or
7 dairy cooperative shall compute the amount of credit that each of its partners,
8 members, or shareholders may claim and shall provide that information to each of
9 them. Partners, members of limited liability companies, and shareholders of
10 tax-option corporations may claim the credit in proportion to their ownership
11 interest. Members of a dairy cooperative may claim the credit in proportion to the
12 amount of milk that each member delivers to the dairy cooperative, as determined
13 by the dairy cooperative.

14 **SECTION 135.** 71.47 (3p) (c) 5. of the statutes is created to read:

15 71.47 (3p) (c) 5. A claimant who is a member of a dairy cooperative may claim
16 the credit, based on amounts described under par. (b) that are paid by the dairy
17 cooperative, for taxable years beginning after December 31, 2008, and before
18 January 1, 2017.

19 **SECTION 136.** 71.47 (3p) (c) 6. of the statutes is created to read:

20 71.47 (3p) (c) 6. No credit may be allowed under this subsection unless the
21 claimant submits with the claimant's return a copy of the claimant's credit
22 certification and allocation under s. 560.207.

23 **SECTION 137.** 71.47 (3p) (d) 2. of the statutes is amended to read:

24 71.47 (3p) (d) 2. If Except as provided in subd. 3., if the allowable amount of
25 the claim under par. (b) exceeds the tax otherwise due under s. 71.43 ~~or no tax is due~~

1 ~~under s. 71.43~~, the amount of the claim not used to offset the tax due shall be certified
2 by the department of revenue to the department of administration for payment by
3 check, share draft, or other draft drawn from the appropriation account under s.
4 20.835 (2) (bn).

5 **SECTION 138.** 71.47 (3p) (d) 3. of the statutes is created to read:

6 71.47 (3p) (d) 3. With regard to claims that are based on amounts described
7 under par. (b) that are paid by a dairy cooperative, if the allowable amount of the
8 claim under par. (b) exceeds the tax otherwise due under s. 71.43, the amount of the
9 claim not used to offset the tax due shall be certified by the department of revenue
10 to the department of administration for payment by check, share draft, or other draft
11 drawn from the appropriation account under s. 20.835 (2) (bp).

12 **SECTION 139.** 71.47 (3r) of the statutes is created to read:

13 71.47 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions.* In this
14 subsection:

15 1. "Claimant" means a person who files a claim under this subsection.

16 2. "Meat processing" means processing livestock into meat products or
17 processing meat products for sale commercially.

18 3. "Meat processing modernization or expansion" means constructing,
19 improving, or acquiring buildings or facilities, or acquiring equipment, for meat
20 processing, including the following, if used exclusively for meat processing and if
21 acquired and placed in service in this state during taxable years that begin after
22 December 31, 2008, and before January 1, 2017:

23 a. Building construction, including livestock handling, product intake, storage,
24 and warehouse facilities.

25 b. Building additions.

1 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing,
2 and waste facilities.

3 d. Livestock intake and storage equipment.

4 e. Processing and manufacturing equipment, including cutting equipment,
5 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking
6 equipment, pipes, motors, pumps, and valves.

7 f. Packaging and handling equipment, including sealing, bagging, boxing,
8 labeling, conveying, and product movement equipment.

9 g. Warehouse equipment, including storage and curing racks.

10 h. Waste treatment and waste management equipment, including tanks,
11 blowers, separators, dryers, digesters, and equipment that uses waste to produce
12 energy, fuel, or industrial products.

13 i. Computer software and hardware used for managing the claimant's meat
14 processing operation, including software and hardware related to logistics,
15 inventory management, production plant controls, and temperature monitoring
16 controls.

17 4. "Used exclusively" means used to the exclusion of all other uses except for
18 use not exceeding 5 percent of total use.

19 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
20 560.208, for taxable years beginning after December 31, 2008, and before January
21 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.43,
22 up to the amount of the tax, an amount equal to 10 percent of the amount the
23 claimant paid in the taxable year for meat processing modernization or expansion
24 related to the claimant's meat processing operation.

1 (c) *Limitations.* 1. No credit may be allowed under this subsection for any
2 amount that the claimant paid for expenses described under par. (b) that the
3 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

4 2. The aggregate amount of credits that a claimant may claim under this
5 subsection is \$200,000.

6 3. a. The maximum amount of the credits that may be allocated under this
7 subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2009-10 is \$300,000, as
8 allocated under s. 560.208.

9 b. The maximum amount of the credits that may be allocated under this
10 subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2010-11, and in each fiscal
11 year thereafter, is \$700,000, as allocated under s. 560.208.

12 4. Partnerships, limited liability companies, and tax-option corporations may
13 not claim the credit under this subsection, but the eligibility for, and the amount of,
14 the credit are based on their payment of expenses under par. (b), except that the
15 aggregate amount of credits that the entity may compute shall not exceed \$200,000.
16 A partnership, limited liability company, or tax-option corporation shall compute
17 the amount of credit that each of its partners, members, or shareholders may claim
18 and shall provide that information to each of them. Partners, members of limited
19 liability companies, and shareholders of tax-option corporations may claim the
20 credit in proportion to their ownership interest.

21 5. If 2 or more persons own and operate the meat processing operation, each
22 person may claim a credit under par. (b) in proportion to his or her ownership
23 interest, except that the aggregate amount of the credits claimed by all persons who
24 own and operate the meat processing operation shall not exceed \$200,000.

1 6. No credit may be allowed under this subsection unless the claimant submits
2 with the claimant's return a copy of the claimant's credit certification and allocation
3 under s. 560.208.

4 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
5 credit under s. 71.28 (4), applies to the credit under this subsection.

6 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
7 due under s. 71.43, the amount of the claim not used to offset the tax due shall be
8 certified by the department of revenue to the department of administration for
9 payment by check, share draft, or other draft drawn from the appropriation account
10 under s. 20.835 (2) (bd).

11 **SECTION 140.** 71.47 (4m) of the statutes is created to read:

12 71.47 (4m) SUPER RESEARCH AND DEVELOPMENT CREDIT. (a) *Definition.* In this
13 subsection, "qualified research expenses" means qualified research expenses as
14 defined in section 41 of the Internal Revenue Code, except that "qualified research
15 expenses" includes only expenses incurred by the claimant for research conducted
16 in this state for the taxable year and except that "qualified research expenses" do not
17 include compensation used in computing the credits under subs. (1dj) and (1dx).

18 (b) *Credit.* Subject to the limitations provided under this subsection, for
19 taxable years beginning on or after January 1, 2011, a corporation may claim as a
20 credit against the tax imposed under s. 71.43, up to the amount of those taxes, an
21 amount equal to the amount of qualified research expenses paid or incurred by the
22 corporation in the taxable year that exceeds the amount calculated as follows:

23 1. Determine the average amount of the qualified research expenses paid or
24 incurred by the corporation in the 3 taxable years immediately preceding the taxable
25 year for which a credit is claimed under this subsection.

1 2. Multiply the amount determined under subd. 1. by 1.25.

2 (c) *Limitations.* Section 71.28 (4) (b) to (d) and (i), as it applies to the credit
3 under s. 71.28 (4), applies to the credit under this subsection.

4 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
5 credit under s. 71.28 (4), applies to the credit under this subsection.

6 2. If a credit computed under this subsection is not entirely offset against
7 Wisconsin income or franchise taxes otherwise due, the unused balance may be
8 carried forward and credited against Wisconsin income or franchise taxes otherwise
9 due for the following 5 taxable years to the extent not offset by these taxes otherwise
10 due in all intervening years between the year in which the expense was incurred and
11 the year in which the carry-forward credit is claimed.

12 **SECTION 141.** 71.47 (5b) (c) 1. of the statutes is amended to read:

13 71.47 (5b) (c) 1. Except as provided in s. 73.03 (63), the maximum amount of
14 the credits that may be claimed under this subsection and ss. 71.07 (5b) and, 71.28
15 (5b), and 76.638 for all taxable years combined is \$52,500,000.

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16 **SECTION 142.** 71.47 (5e) (b) of the statutes is amended to read:

17 71.47 (5e) (b) *Filing claims.* Subject to the limitations provided in this
18 subsection and subject to 2005 Wisconsin Act 479, section 17, beginning in the first
19 taxable year following the taxable year in which the claimant claims ~~an exemption~~
20 a deduction under s. ~~77.54 (48)~~ 77.585 (9), a claimant may claim as a credit against
21 the taxes imposed under s. 71.43, up to the amount of those taxes, in each taxable
22 year for 2 years, the amount of sales and use tax certified by the department of
23 commerce that resulted from the claimant ~~claimed as an exemption~~ claiming a
24 deduction under s. ~~77.54 (48)~~ 77.585 (9).

25 **SECTION 143.** 71.47 (5e) (c) 1. of the statutes is amended to read:

1 71.47 (5e) (c) 1. No credit may be allowed under this subsection unless the
2 claimant satisfies the requirements under s. ~~77.54 (48)~~ 77.585 (9).

3 **SECTION 144.** 71.47 (5e) (c) 3. of the statutes is amended to read:

4 71.47 (5e) (c) 3. The total amount of the credits and ~~exemptions~~ the sales and
5 use tax resulting from the deductions claimed under s. 77.585 (9) that may be claimed
6 by all claimants under this subsection and ss. 71.07 (5e), 71.28 (5e), and ~~77.54 (48)~~
7 77.585 (9) is \$7,500,000, as determined by the department of commerce.

8 **SECTION 145.** 71.49 (1) (db) of the statutes is created to read: 9

9 71.49 (1) (db) Super research and development credit under s. 71.47 (4m).

10 **SECTION 146.** 71.49 (1) (em) of the statutes is renumbered 71.49 (1) (eh).

11 **SECTION 147.** 71.49 (1) (ema) of the statutes is created to read:

12 71.49 (1) (ema) Economic development tax credit under s. 71.47 (1dy).

13 **SECTION 148.** 71.49 (1) (emb) of the statutes is renumbered 71.49 (1) (ei).

14 **SECTION 149.** 71.49 (1) (en) of the statutes is renumbered 71.49 (1) (ej).

15 **SECTION 150.** 71.49 (1) (eo) of the statutes is renumbered 71.49 (1) (ek).

16 **SECTION 151.** 71.49 (1) (eom) of the statutes is renumbered 71.49 (1) (eL).

17 **SECTION 152.** 71.49 (1) (f) of the statutes is amended to read:

18 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
19 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
20 s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p),
21 meat processing facility investment credit under s. 71.47 (3r), enterprise zone jobs
22 credit under s. 71.47 (3w), film production services credit under s. 71.47 (5f) (b) 2.,
23 and estimated tax payments under s. 71.48.

24 **SECTION 153.** 73.03 (28e) of the statutes is created to read:

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1 **73.03 (28e)** To participate as a member state of the streamlined sales tax
2 governing board which administers the agreement, as defined in s. 77.65 (2) (a), and
3 includes having the governing board enter into contracts that are necessary to
4 implement the agreement on behalf of the member states, and to allocate a portion
5 of the amount collected under ch. 77 through the agreement to the appropriation
6 under s. 20.566 (1) (ho) to pay the dues necessary to participate in the governing
7 board. The department shall allocate the remainder of such collections to the general
8 fund.

9 **SECTION 154.** 73.03 (50) (d) of the statutes is amended to read:

10 **73.03 (50)** (d) In the case of a sole proprietor, signs the form or, in the case of
11 other persons, has an individual who is authorized to act on behalf of the person sign
12 the form, or, in the case of a single-owner entity that is disregarded as a separate
13 entity under section 7701 of the Internal Revenue Code, the person is the owner. Any
14 person who may register under this subsection may designate an agent, as defined
15 in s. 77.524 (1) (ag), to register with the department under this subsection in the
16 manner prescribed by the department. In this paragraph, "sign" has the meaning
17 given in s. 77.51 (17r).

18 **SECTION 155.** 73.03 (50b) of the statutes is created to read:

19 **73.03 (50b)** To waive the fee established under sub. (50) for applying for and
20 renewing the business tax registration certificate, if the person who is applying for
21 or renewing the certificate is not required for purposes of ch. 77 to hold such a
22 certificate.

23 **SECTION 156.** 73.03 (61) of the statutes is created to read:

24 **73.03 (61)** To do all of the following related to the Uniform Sales and Use Tax
25 Administration Act:

1 (a) Certify compliance with the agreement, as defined in s. 77.65 (2) (a).

2 (b) Pursuant to the agreement, as defined in s. 77.65 (2) (a), certify certified
3 service providers, as defined in s. 77.51 (1g), and certified automated systems, as
4 defined in s. 77.524 (1) (am).

5 (c) Consistent with the agreement, as defined in s. 77.65 (2) (a), establish
6 performance standards and eligibility criteria for a seller that sells tangible personal
7 property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable
8 services in at least 5 states that are signatories to the agreement, as defined in s.
9 77.65 (2) (a); that has total annual sales revenue of at least \$500,000,000; that has
10 a proprietary system that calculates the amount of tax owed to each taxing
11 jurisdiction in which the seller sells tangible personal property, or items, property,
12 or goods under s. 77.52 (1) (b), (c), or (d) or taxable services; and that has entered into
13 a performance agreement with the states that are signatories to the agreement, as
14 defined in s. 77.65 (2) (a). For purposes of this paragraph, "seller" includes an
15 affiliated group of sellers using the same proprietary system to calculate the amount
16 of tax owed in each taxing jurisdiction in which the sellers sell tangible personal
17 property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable
18 services.

19 (d) Issue a tax identification number to a person who claims an exemption
20 under subch. III or V of ch. 77 and who is not required to register with the department
21 for the purposes of subch. III or V of ch. 77 and establish procedures for the
22 registration of such a person.

23 (e) Maintain a database that is accessible to sellers and certified service
24 providers, as defined in s. 77.51 (1g), that indicates whether items defined in

1 accordance with the agreement, as defined in s. 77.65 (2) (a), are taxable or
2 nontaxable.

3 (f) Maintain a database that is accessible to sellers and certified service
4 providers, as defined in s. 77.51 (1g), and available in a downloadable format
5 approved by the governing board of the agreement, as defined in s. 77.65 (2) (a), that
6 indicates tax rates, taxing jurisdiction boundaries, and zip code or address
7 assignments related to the administration of taxes imposed under subchs. III and V
8 of ch. 77. The database shall be provided at no cost and be available to sellers and
9 certified service providers, as defined in s. 77.51 (1g), no later than the first day of
10 the month prior to the first day of the calendar quarter.

11 (g) Set forth the information that the seller shall provide to the department for
12 tax exemptions claimed by purchasers and establish the manner in which a seller
13 shall provide such information to the department.

14 (h) Provide monetary allowances, in addition to the retailer's discount provided
15 under s. 77.61 (4) (c), to certified service providers, as defined in s. 77.51 (1g), and
16 sellers that use certified automated systems, as defined in s. 77.524 (1) (am), or
17 proprietary systems, pursuant to the agreement, as defined in s. 77.65 (2) (a).

18 **SECTION 157.** 73.03 (63) of the statutes is amended to read:

19 73.03 (63) Notwithstanding the amount limitations specified under ss. 71.07
20 (5b) (c) 1. and (5d) (c) 1., 71.28 (5b) (c) 1., 71.47 (5b) (c) 1., 76.638 (3), and 560.205 (3)
21 (d), in consultation with the department of commerce, to carry forward to subsequent
22 taxable years unclaimed credit amounts of the early stage seed investment credits
23 under ss. 71.07 (5b), 71.28 (5b), and 71.47 (5b), and 76.638 and the angel investment
24 credit under s. 71.07 (5d). Annually, no later than July 1, the department of

1 commerce shall submit to the department of revenue its recommendations for the
2 carry forward of credit amounts as provided under this subsection.

3 **SECTION 158.** 73.0301 (1) (d) 6. of the statutes is amended to read:

4 73.0301 (1) (d) 6. A license or certificate of registration issued by the
5 department of financial institutions, or a division of it, under ss. 138.09, 138.12,
6 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.725, 224.93 or
7 under subch. IV of ch. 551.

8 **SECTION 159.** 76.07 (4g) (b) 8. of the statutes is amended to read:

9 76.07 (4g) (b) 8. Determine transport-related revenue by adding public service
10 revenue allocated to this state on the basis of routes for which the company is
11 authorized to receive subsidy payments, mutual aid allocated to this state on the
12 basis of the ratio of transport revenues allocated to this state to transport revenues
13 everywhere in the previous year, in-flight sales allocated to this state as they are
14 allocated under s. ~~77.51 (14r)~~ 77.522 and all other transport-related revenues from
15 sales made in this state.

16 **SECTION 160.** 76.637 of the statutes is created to read:

17 **76.637 Economic development credit.** (1) DEFINITION. In this section,
18 "claimant" means an insurer who files a claim under this section and is certified
19 under s. 560.701 (2) and authorized to claim tax benefits under s. 560.703.

20 (2) FILING CLAIMS. Subject to the limitations under this section and ss. 560.701
21 to 560.706, for taxable years beginning after December 31, 2008, a claimant may
22 claim as a credit against the fees due under s. 76.60, 76.63, 76.65, 76.66, or 76.67 the
23 amount authorized for the claimant under s. 560.703.

24 (3) LIMITATIONS. No credit may be allowed under this section unless the insurer
25 includes with the insurer's annual return under s. 76.64 a copy of the claimant's

1 certification under s. 560.701 (2) and a copy of the claimant's notice of eligibility to
2 receive tax benefits under s. 560.703 (3).

3 (4) ADMINISTRATION. If an insurer's certification is revoked under s. 560.705,
4 or if an insurer becomes ineligible for tax benefits under s. 560.702, the insurer may
5 not claim credits under this section for the taxable year that includes the day on
6 which the certification is revoked; the taxable year that includes the day on which
7 the insurer becomes ineligible for tax benefits; or succeeding taxable years and the
8 insurer may not carry over unused credits from previous years to offset the fees
9 imposed under ss. 76.60, 76.63, 76.65, 76.66, or 76.67 for the taxable year that
10 includes the day on which certification is revoked; the taxable year that includes the
11 day on which the insurer becomes ineligible for tax benefits; or succeeding taxable
12 years.

13 SECTION 161. 76.638 of the statutes is created to read:

14 **76.638 Early stage seed investment credit.** (1) DEFINITIONS. In this
15 section, "fund manager" means an investment fund manager certified under s.
16 560.205 (2).

17 (2) FILING CLAIMS. For taxable years beginning after December 31, 2008,
18 subject to the limitations provided under this subsection and s. 560.205, an insurer
19 may claim as a credit against the fees imposed under s. 76.60, 76.63, 76.65, 76.66,
20 or 76.67, 25 percent of the insurer's investment paid to a fund manager that the fund
21 manager invests in a business certified under s. 560.205 (1).

22 (3) LIMITATIONS. Except as provided in s. 73.03 (63), the maximum amount of
23 the credits that may be claimed under this section and ss. 71.07 (5b), 71.28 (5b), and
24 71.47 (5b) for all taxable years combined is \$52,500,000.

1 (4) INVESTMENT BASIS. The Wisconsin adjusted basis of any investment for
2 which a credit is claimed under sub. (2) shall be reduced by the amount of the credit
3 that is offset against the fees imposed under s. 76.60, 76.63, 76.65, 76.66, or 76.67.

4 (5) CARRY-FORWARD. If the credit under sub. (2) is not entirely offset against the
5 fees under s. 76.60, 76.63, 76.65, 76.66, or 76.67 otherwise due, the unused balance
6 may be carried forward and credited against those fees for the following 15 years to
7 the extent that it is not offset by those fees otherwise due in all the years between
8 the year in which the expense was made and the year in which the carry-forward
9 credit is claimed.

10 **SECTION 162.** 76.67 (2) of the statutes is amended to read:

11 76.67 (2) If any domestic insurer is licensed to transact insurance business in
12 another state, this state may not require similar insurers domiciled in that other
13 state to pay taxes greater in the aggregate than the aggregate amount of taxes that
14 a domestic insurer is required to pay to that other state for the same year less the
15 credits under ss. 76.635, 76.636, and 76.655, except that the amount imposed shall
16 not be less than the total of the amounts due under ss. 76.65 (2) and 601.93 and, if
17 the insurer is subject to s. 76.60, 0.375% of its gross premiums, as calculated under
18 s. 76.62, less offsets allowed under s. 646.51 (7) or under ss. 76.635, 76.636, 76.637,
19 76.638, and 76.655 against that total, and except that the amount imposed shall not
20 be less than the amount due under s. 601.93.

21 **SECTION 163.** 77.51 (1) of the statutes is renumbered 77.51 (1fd) and amended
22 to read:

23 77.51 (1fd) "Business" includes any activity engaged in by any person or caused
24 to be engaged in by any person with the object of gain, benefit or advantage, either
25 direct or indirect, and includes also the furnishing and distributing of tangible

1 personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or
2 taxable services for a consideration by social clubs and fraternal organizations to
3 their members or others.

4 **SECTION 164.** 77.51 (1a) of the statutes is created to read:

5 77.51 (1a) "Additional digital goods" means video greeting cards sent by
6 electronic mail, finished artwork, periodicals, and video or electronic games. For
7 purposes of this subchapter, the sale of or the storage, use, or other consumption of
8 a digital code is treated the same as the sale of or the storage, use, or other
9 consumption of any additional digital goods for which the digital code relates.

10 **SECTION 165.** 77.51 (1b) of the statutes is created to read:

11 77.51 (1b) "Alcoholic beverage" means a beverage that is suitable for human
12 consumption and that contains 0.5 percent or more of alcohol by volume.

13 **SECTION 166.** 77.51 (1ba) of the statutes is created to read:

14 77.51 (1ba) "Ancillary services" means services that are associated with or
15 incidental to providing telecommunications services, including detailed
16 telecommunications billing, directory assistance, vertical service, and voice mail
17 services.

18 **SECTION 167.** 77.51 (1f) of the statutes is created to read:

19 77.51 (1f) "Bundled transaction" means the retail sale of 2 or more products,
20 not including real property and services to real property, if the products are distinct
21 and identifiable products and sold for one nonitemized price. "Bundled transaction"
22 does not include any of the following:

23 (a) The sale of any products for which the sales price varies or is negotiable
24 based on the purchaser's selection of the products included in the transaction.

1 (b) 1. The retail sale of tangible personal property and a service, if the tangible
2 personal property is essential to the use of the service, and provided exclusively in
3 connection with the service, and if the true object of the transaction is the service.

4 2. The retail sale of a service and items, property, or goods under s. 77.52 (1)
5 (b), (c), or (d), if such items, property, or goods are essential to the use of the service,
6 and provided exclusively in connection with the service, and if the true object of the
7 transaction is the service.

8 (c) The retail sale of services, if one of the services is essential to the use or
9 receipt of another service, and provided exclusively in connection with the other
10 service, and if the true object of the transaction is the other service.

11 (d) A transaction that includes taxable and nontaxable products, if the seller's
12 purchase price or the sales price of the taxable products is no greater than 10 percent
13 of the seller's total purchase price or sales price of all the bundled products, as
14 determined by the seller using either the seller's purchase price or sales price, but
15 not a combination of both, or, in the case of a service contract, the full term of the
16 service contract.

17 (e) The retail sale of taxable tangible personal property, or items, property, or
18 goods under s. 77.52 (1) (b), (c), or (d) and tangible personal property, or items,
19 property, or goods under s. 77.52 (1) (b), (c), or (d) that is exempt from the taxes
20 imposed under this subchapter, if the transaction includes food and food ingredients,
21 drugs, durable medical equipment, mobility-enhancing equipment, prosthetic
22 devices, or medical supplies and if the seller's purchase price or the sales price of the
23 taxable tangible personal property, or items, property, or goods under s. 77.52 (1) (b),
24 (c), or (d) is no greater than 50 percent of the seller's total purchase price or sales price
25 of all the tangible personal property, or items, property, or goods under s. 77.52 (1)

1 (b), (c), or (d) included in what would otherwise be a bundled transaction, as
2 determined by the seller using either the seller's purchase price or the sales price,
3 but not a combination of both.

4 **SECTION 168.** 77.51 (1fm) of the statutes is created to read:

5 77.51 (1fm) "Candy" means a preparation of sugar, honey, or other natural or
6 artificial sweetener combined with chocolate, fruit, nuts, or other ingredients or
7 flavorings in the form of bars, drops, or pieces. "Candy" does not include a
8 preparation that contains flour or that requires refrigeration.

9 **SECTION 169.** 77.51 (1n) of the statutes is created to read:

10 77.51 (1n) "Computer" means an electronic device that accepts information in
11 digital or similar form and that manipulates such information to achieve a result
12 based on a sequence of instructions.

13 **SECTION 170.** 77.51 (1p) of the statutes is created to read:

14 77.51 (1p) "Computer software" means a set of coded instructions designed to
15 cause a computer or automatic data processing equipment to perform a task.

16 **SECTION 171.** 77.51 (1pd) of the statutes is created to read:

17 77.51 (1pd) "Computer software maintenance contract" means a contract that
18 obligates a vendor of computer software to provide a customer with future updates
19 or upgrades to computer software, computer software support services, or both.

20 **SECTION 172.** 77.51 (1r) of the statutes is created to read:

21 77.51 (1r) "Conference bridging service" means an ancillary service that links
22 2 or more participants of an audio or video conference call and may include providing
23 a telephone number, but does not include the telecommunications services used to
24 reach the conference bridge.

25 **SECTION 173.** 77.51 (2k) of the statutes is created to read:

1 77.51 (2k) "Delivered electronically" means delivered to a purchaser by means
2 other than by tangible storage media.

3 **SECTION 174.** 77.51 (2m) of the statutes is created to read:

4 77.51 (2m) "Delivery charges" means charges by a seller to prepare and deliver
5 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or
6 (d), or services to a location designated by the purchaser of the tangible personal
7 property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services,
8 including charges for transportation, shipping, postage, handling, crating, and
9 packing.

10 **SECTION 175.** 77.51 (3c) of the statutes is created to read:

11 77.51 (3c) "Detailed telecommunications billing service" means an ancillary
12 service that separately indicates information pertaining to individual calls on a
13 customer's billing statement.

14 **SECTION 176.** 77.51 (3n) of the statutes is created to read:

15 77.51 (3n) "Dietary supplement" means a product, other than tobacco, that is
16 intended to supplement a person's diet, if all of the following apply:

17 (a) The product contains any of the following ingredients or any combination
18 of any of the following ingredients:

19 1. A vitamin.

20 2. A mineral.

21 3. An herb or other botanical.

22 4. An amino acid.

23 5. A dietary substance that is intended for human consumption to supplement
24 the diet by increasing total dietary intake.

25 6. A concentrate, metabolite, constituent, or extract.

1 (b) The product is intended for ingestion in tablet, capsule, powder, soft-gel,
2 gel-cap, or liquid form, or, if not intended for ingestion in such forms, is not
3 represented as conventional food and is not represented for use as the sole item of
4 a meal or diet.

5 (c) The product is required to be labeled as a dietary supplement as required
6 under 21 CFR 101.36.

7 **SECTION 177.** 77.51 (3p) of the statutes is created to read:

8 77.51 (3p) "Digital audiovisual works" means a series of related images that,
9 when shown in succession, impart an impression of motion, along with
10 accompanying sounds, if any, and that are transferred electronically. "Digital
11 audiovisual works" includes motion pictures, musical videos, news and
12 entertainment programs, and live events, but does not include video greeting cards
13 or video or electronic games.

14 **SECTION 178.** 77.51 (3pa) of the statutes is created to read:

15 77.51 (3pa) "Digital audio works" means works that result from the fixation
16 of a series of musical, spoken, or other sounds that are transferred electronically,
17 including prerecorded or live music, prerecorded or live readings of books or other
18 written materials, prerecorded or live speeches, ringtones, or other sound recordings
19 but not including audio greeting cards sent by electronic mail.

20 **SECTION 179.** 77.51 (3pb) of the statutes is created to read:

21 77.51 (3pb) "Digital books" means works that are generally recognized in the
22 ordinary and usual sense as books and are transferred electronically. "Digital books"
23 includes any literary work, other than a digital audio work or digital audiovisual
24 work, that is expressed in words, numbers, or other verbal or numerical symbols or
25 indicia, if the literary work is generally recognized in the ordinary and usual sense

1 as a book, work of fiction or nonfiction, or a short story, but does not include
2 newspapers or other news or information products, periodicals, chat room
3 discussions, or blogs.

4 **SECTION 180.** 77.51 (3pc) of the statutes is created to read:

5 77.51 (3pc) "Digital code" means a code that provides the person who holds the
6 code a right to obtain an additional digital good, a digital audiovisual work, digital
7 audio work, or digital book and that may be obtained by any means, including
8 tangible forms and electronic mail, regardless of whether the code is designated as
9 song code, video code, or book code. "Digital code" includes codes used to access or
10 obtain any specified digital goods, or any additional digital goods that have been
11 previously purchased, and promotion cards or codes that are purchased by a retailer
12 or other business entity for use by the retailer's or entity's customers. "Digital code"
13 does not include the following:

14 (a) A code that represents any redeemable card, gift card, or gift certificate that
15 entitles the holder of such card or certificate to select any specified digital goods or
16 additional digital goods at the cash value indicated by the card or certificate.

17 (b) Digital cash that represents a monetary value that a customer may use to
18 pay for a future purchase.

19 **SECTION 181.** 77.51 (3pd) of the statutes is created to read:

20 77.51 (3pd) "Direct mail" means printed material that is delivered or
21 distributed by the U.S. postal service or other delivery service to a mass audience or
22 to addressees on a mailing list provided by or at the direction of the purchaser of the
23 printed material, if the cost of the printed material or any tangible personal property
24 or items, property, or goods under s. 77.52 (1) (b), (c), or (d) included with the printed
25 material is not billed directly to the recipients of the printed material. "Direct mail"

1 includes any tangible personal property, or items, property, or goods under s. 77.52
2 (1) (b), (c), or (d) provided directly or indirectly by the purchaser of the printed
3 material to the seller of the printed material for inclusion in any package containing
4 the printed material, including billing invoices, return envelopes, and additional
5 marketing materials. "Direct mail" does not include multiple items of printed
6 material delivered to a single address.

7 **SECTION 182.** 77.51 (3pe) of the statutes is created to read:

8 77.51 (3pe) "Directory assistance" means an ancillary service that provides
9 telephone numbers or addresses.

10 **SECTION 183.** 77.51 (3pf) of the statutes is created to read:

11 77.51 (3pf) "Distinct and identifiable product" does not include any of the
12 following:

13 (a) Packaging, including containers, boxes, sacks, bags, bottles, and envelopes;
14 and other materials, including wrapping, labels, tags, and instruction guides; that
15 accompany, and are incidental or immaterial to, the retail sale of any product.

16 (b) A product that is provided free of charge to the consumer in conjunction with
17 the required purchase of another product, if the sales price of the other product does
18 not vary depending on whether the product provided free of charge is included in the
19 transaction.

20 (c) Any items specified under sub. (12m) (a) or (15b) (a).

21 **SECTION 184.** 77.51 (3pj) of the statutes is created to read:

22 77.51 (3pj) "Drug" means a compound, substance, or preparation, or any
23 component of them, other than food and food ingredients, dietary supplements, or
24 alcoholic beverages, to which any of the following applies:

1 (a) It is listed in the United States Pharmacopoeia, Homeopathic
2 Pharmacopoeia of the United States, or National Formulary, or any supplement to
3 any of them.

4 (b) It is intended for use in diagnosing, curing, mitigating, treating, or
5 preventing a disease.

6 (c) It is intended to affect a function or structure of the body.

7 **SECTION 185.** 77.51 (3pm) of the statutes is created to read:

8 77.51 (3pm) "Durable medical equipment" means equipment, including the
9 repair parts and replacement parts for the equipment that is primarily and
10 customarily used for a medical purpose related to a person; that can withstand
11 repeated use; that is not generally useful to a person who is not ill or injured; and that
12 is not placed in or worn on the body. "Durable medical equipment" does not include
13 mobility-enhancing equipment.

14 **SECTION 186.** 77.51 (3pn) of the statutes is created to read:

15 77.51 (3pn) "Eight hundred service" means a telecommunications service that
16 allows a caller to dial a toll-free number without incurring a charge for the call and
17 is marketed under "800," "855," "866," "877," or "888" toll-free calling, or any other
18 number designated as toll-free by the federal communications commission.

19 **SECTION 187.** 77.51 (3po) of the statutes is created to read:

20 77.51 (3po) "Electronic" means relating to technology having electrical, digital,
21 magnetic, wireless, optical, electromagnetic, or similar capabilities.

22 **SECTION 188.** 77.51 (3rm) of the statutes is created to read:

23 77.51 (3rm) "Finished artwork" means the final art used for actual
24 reproduction by photomechanical or other processes or for display purposes.

1 “Finished artwork” also includes all of the following items regardless of whether such
2 items are reproduced:

3 (a) Drawings.

4 (b) Paintings.

5 (c) Designs.

6 (d) Photographs.

7 (e) Lettering.

8 (f) Paste-ups.

9 (g) Mechanicals.

10 (h) Assemblies.

11 (i) Charts.

12 (j) Graphs.

13 (k) Illustrative materials.

14 **SECTION 189.** 77.51 (3rn) of the statutes is created to read:

15 77.51 (3rn) “Fixed wireless service” means a telecommunications service that
16 provides radio communication between fixed points.

17 **SECTION 190.** 77.51 (3t) of the statutes is created to read:

18 77.51 (3t) “Food and food ingredient” means a substance in liquid,
19 concentrated, solid, frozen, dried, or dehydrated form, that is sold for ingestion, or
20 for chewing, by humans and that is ingested or chewed for its taste or nutritional
21 value. “Food and food ingredient” does not include alcoholic beverages or tobacco.

22 **SECTION 191.** 77.51 (4) of the statutes is repealed.

23 **SECTION 192.** 77.51 (5) of the statutes is amended to read:

24 77.51 (5) For purposes of subs. (13) (e) and (f) and ~~(14)-(L)~~ (15a) and s. 77.52
25 (2m), “incidental” means depending upon or appertaining to something else as

1 primary; something necessary, appertaining to, or depending upon another which is
2 termed the principal; or something incidental to the main purpose of the service.
3 Tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or
4 (d) transferred by a service provider is incidental to the service if the purchaser's
5 main purpose or objective is to obtain the service rather than the property, items, or
6 goods, even though the property, items, or goods may be necessary or essential to
7 providing the service.

8 **SECTION 193.** 77.51 (5d) of the statutes is created to read:

9 77.51 (5d) "International telecommunications services" means
10 telecommunications services that originate or terminate in the United States,
11 including the District of Columbia and any U.S. territory or possession and originate
12 or terminate outside of the United States, including the District of Columbia and any
13 U.S. territory or possession.

14 **SECTION 194.** 77.51 (5n) of the statutes is created to read:

15 77.51 (5n) "Interstate telecommunications services" means
16 telecommunications services that originate in one state or U.S. territory or
17 possession and terminate in a different state or U.S. territory or possession.

18 **SECTION 195.** 77.51 (5r) of the statutes is created to read:

19 77.51 (5r) "Intrastate telecommunications services" means
20 telecommunications services that originate in one state or U.S. territory or
21 possession and terminate in the same state or U.S. territory or possession.

22 **SECTION 196.** 77.51 (6m) of the statutes is renumbered 77.51 (5m) and
23 amended to read:

24 77.51 (5m) For purposes of s. ~~77.54 (48)~~ 77.585 (9), "Internet equipment used
25 in the broadband market" means equipment that is capable of transmitting data

1 packets or Internet signals at speeds of at least 200 kilobits per second in either
2 direction.

3 **SECTION 197.** 77.51 (7) of the statutes is repealed and recreated to read:

4 77.51 (7) (a) "Lease or rental" means any transfer of possession or control of
5 tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or
6 (d) for a fixed or indeterminate term and for consideration and includes:

7 1. A transfer that includes future options to purchase or extend.

8 2. Agreements related to the transfer of possession or control of motor vehicles
9 or trailers, if the amount of any consideration may be increased or decreased by
10 reference to the amount realized on the sale or other disposition of such motor
11 vehicles or trailers, consistent with section 7701 (h) (1) of the Internal Revenue Code.

12 (b) "Lease or rental" does not include any of the following:

13 1. A transfer of possession or control of tangible personal property or items,
14 property, or goods under s. 77.52 (1) (b), (c), or (d) under a security agreement or
15 deferred payment plan, if such agreement or plan requires transferring title to the
16 tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or
17 (d) after making all required payments.

18 2. A transfer of possession or control of tangible personal property or items,
19 property, or goods under s. 77.52 (1) (b), (c), or (d) under any agreement that requires
20 transferring title to the tangible personal property or items, property, or goods under
21 s. 77.52 (1) (b), (c), or (d) after making all required payments and after paying an
22 option price that does not exceed the greater of \$100 or 1 percent of the total amount
23 of the required payments.

24 3. Providing tangible personal property or items, property, or goods under s.
25 77.52 (1) (b), (c), or (d) along with an operator, if the operator is necessary for the

1 tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or
2 (d) to perform in the manner for which it is designed and if the operator does more
3 than maintain, inspect, or set up the tangible personal property or items, property,
4 or goods under s. 77.52 (1) (b), (c), or (d).

5 (c) 1. Transfers described under par. (a) are considered a lease or rental,
6 regardless of whether such transfer is considered a lease or rental under generally
7 accepted accounting principles, or any provision of federal or local law, or any other
8 provision of state law.

9 2. Transfers described under par. (b) are not considered a lease or rental,
10 regardless of whether such transfer is considered a lease or rental under generally
11 accepted accounting principles, or any provision of federal or local law, or any other
12 provision of state law.

13 **SECTION 198.** 77.51 (7g) of the statutes is created to read:

14 77.51 (7g) "Load-and-leave" means delivery to a purchaser by using a tangible
15 storage media that is not physically transferred to the purchaser.

16 **SECTION 199.** 77.51 (7k) of the statutes is created to read:

17 77.51 (7k) "Mobile wireless service" means a telecommunications service for
18 which the origination or termination points of the service's transmission,
19 conveyance, or routing are not fixed, regardless of the technology used to transmit,
20 convey, or route the service. "Mobile wireless service" includes a telecommunications
21 service provided by a commercial mobile radio service provider.

22 **SECTION 200.** 77.51 (7m) of the statutes is created to read:

23 77.51 (7m) "Mobility-enhancing equipment" means equipment, including the
24 repair parts and replacement parts for the equipment, that is primarily and
25 customarily used to provide or increase the ability of a person to move from one place

1 to another; that may be used in a home or motor vehicle; and that is generally not
2 used by a person who has normal mobility. "Mobility-enhancing equipment" does
3 not include a motor vehicle or any equipment on a motor vehicle that is generally
4 provided by a motor vehicle manufacturer. "Mobility-enhancing equipment" does
5 not include durable medical equipment.

6 **SECTION 201.** 77.51 (8m) of the statutes is created to read:

7 77.51 (8m) "Nine hundred service" means an inbound toll telecommunications
8 service purchased by a subscriber that allows the subscriber's customers to call the
9 subscriber's prerecorded announcement or live service. "Nine hundred service" does
10 not include any charge for collection services provided by the seller of the
11 telecommunications services to the subscriber or for any product or service the
12 subscriber sells to the subscriber's customers. A "nine hundred service" is
13 designated with the "900" number or any other number designated by the federal
14 communications commission.

15 **SECTION 202.** 77.51 (9) (a) of the statutes is amended to read:

16 77.51 (9) (a) Isolated and sporadic sales of tangible personal property, or items,
17 property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services where the
18 infrequency, in relation to the other circumstances, including the sales price and the
19 gross profit, support the inference that the seller is not pursuing a vocation,
20 occupation or business or a partial vocation or occupation or part-time business as
21 a vendor of personal property, or items, property, or goods under s. 77.52 (1) (b), (c),
22 or (d), or taxable services. No sale of any tangible personal property, or items,
23 property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable service may be deemed
24 an occasional sale if at the time of such sale the seller holds or is required to hold a
25 seller's permit, except that this provision does not apply to an organization required

1 to hold a seller's permit solely for the purpose of conducting bingo games and except
2 as provided in par. (am).

3 **SECTION 203.** 77.51 (9) (am) of the statutes is amended to read:

4 77.51 (9) (am) The sale of personal property or items, property, or goods under
5 s. 77.52 (1) (b), (c), or (d), other than inventory held for sale, previously used by a
6 seller to conduct its trade or business at a location after that person has ceased
7 actively operating in the regular course of business as a seller of tangible personal
8 property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable
9 services at that location, even though the seller holds a seller's permit for one or more
10 other locations.

11 **SECTION 204.** 77.51 (9p) of the statutes is created to read:

12 77.51 (9p) "One nonitemized price" does not include a price that is separately
13 identified by product on a binding sales document, or other sales-related document,
14 that is made available to the customer in paper or electronic form, including an
15 invoice, a bill of sale, a receipt, a contract, a service agreement, a lease agreement,
16 a periodic notice of rates and services, a rate card, or a price list.

17 **SECTION 205.** 77.51 (9s) of the statutes is created to read:

18 77.51 (9s) "Paging service" means a telecommunications service that transmits
19 coded radio signals to activate specific pagers and may include messages or sounds.

20 **SECTION 206.** 77.51 (10) of the statutes is amended to read:

21 77.51 (10) "Person" includes any natural person, firm, partnership, limited
22 liability company, joint venture, joint stock company, association, public or private
23 corporation, the United States, the state, including any unit or division of the state,
24 any county, city, village, town, municipal utility, municipal power district or other
25 governmental unit, cooperative, unincorporated cooperative association, estate,

1 trust, receiver, personal representative, any other fiduciary, any other legal entity,
2 and any representative appointed by order of any court or otherwise acting on behalf
3 of others. "Person" also includes the owner of a single-owner entity that is
4 disregarded as a separate entity under ch. 71.

5 **SECTION 207.** 77.51 (10d) of the statutes is created to read:

6 77.51 (10d) "Prepaid calling service" means the right to exclusively access
7 telecommunications services, if that right is paid for in advance of providing such
8 services, requires using an access number or authorization code to originate calls,
9 and is sold in predetermined units or dollars that decrease with use in a known
10 amount.

11 **SECTION 208.** 77.51 (10f) of the statutes is created to read:

12 77.51 (10f) "Prepaid wireless calling service" means a telecommunications
13 service that provides the right to utilize mobile wireless service as well as other
14 nontelecommunications services, including the download of digital products
15 delivered electronically, content, and ancillary services, and that is paid for prior to
16 use and sold in predetermined dollar units whereby the number of units declines
17 with use in a known amount.

18 **SECTION 209.** 77.51 (10m) of the statutes is created to read:

19 77.51 (10m) (a) "Prepared food" means:

- 20 1. Food and food ingredients sold in a heated state.
- 21 2. Food and food ingredients heated by the retailer, except as provided in par.
22 (b).
- 23 3. Food and food ingredients sold with eating utensils that are provided by the
24 retailer of the food and food ingredients, including plates, knives, forks, spoons,
25 glasses, cups, napkins, or straws. In this subdivision, "plate" does not include a

1 container or packaging used to transport food and food ingredients. For purposes of
2 this subdivision, a retailer provides utensils if any of the following applies:

3 a. The utensils are available to purchasers and the retailer's sales of prepared
4 food under subds. 1. and 2., soft drinks, and alcoholic beverages at an establishment
5 are more than 75 percent of the retailer's total sales at that establishment, as
6 determined under par. (c).

7 b. For retailers not described under subd. 3. a., the retailer's customary practice
8 is to physically give or hand the utensils to the purchaser, except that plates, glasses,
9 or cups that are necessary for the purchaser to receive the food and food ingredients
10 need only be made available to the purchaser.

11 4. Except as provided in par. (b), 2 or more food ingredients mixed or combined
12 by a retailer for sale as a single item.

13 (b) "Prepared food" does not include:

14 1. For purposes of par. (a) 2. and 4., 2 or more food ingredients mixed or
15 combined by a retailer for sale as a single item, if the retailer's primary classification
16 in the North American Industry Classification System, 2002 edition, published by
17 the federal office of management and budget, is manufacturing under subsector 311,
18 not including bakeries and tortilla manufacturing under industry group number
19 3118.

20 2. For purposes of par. (a) 2. and 4., 2 or more food ingredients mixed or
21 combined by a retailer for sale as a single item, sold unheated, and sold by volume
22 or weight.

23 3. For purposes of par. (a) 2. and 4., bakery items made by a retailer, including
24 breads, rolls, pastries, buns, biscuits, bagels, croissants, donuts, danish, cakes,
25 tortes, pies, tarts, muffins, bars, cookies, and tortillas.

1 4. For purposes of par. (a) 4., food and food ingredients that are only sliced,
2 repackaged, or pasteurized by a retailer.

3 5. For purposes of par. (a) 4., eggs, fish, meat, and poultry, and foods containing
4 any of them in raw form, that require cooking by the consumer, as recommended by
5 the food and drug administration in chapter 3, part 401.11 of its food code to prevent
6 food-borne illnesses.

7 (c) 1. The percentage specified under par. (a) 3. a. shall be determined using the
8 following:

9 a. A numerator that includes sales of prepared food, as defined in par. (a) 1.,
10 2., and 4., and food for which plates, bowls, glasses, or cups are necessary to receive
11 the food, but not including alcoholic beverages.

12 b. A denominator that includes all food and food ingredients, including
13 prepared food, candy, dietary supplements, and soft drinks, but not including
14 alcoholic beverages.

15 2. a. If the percentage determined under subd. 1. is 75 percent or less, utensils
16 are considered to be provided by the retailer if the retailer's customary practice is to
17 physically give or hand the utensils to the purchaser or, in the case of plates, bowls,
18 glasses, or cups that are necessary to receive the food, to make such items available
19 to the purchaser.

20 b. If the percentage determined under subd. 1. is greater than 75 percent,
21 utensils are considered to be provided by the retailer if the utensils are made
22 available to the purchaser.

23 3. For a retailer whose percentage determined under subd. 1. is greater than
24 75 percent, an item sold by the retailer that contains 4 or more servings packaged
25 as one item and sold for a single price does not become prepared food simply because

1 the retailer makes utensils available to the purchaser of the item, but does become
2 prepared food if the retailer physically gives or hands utensils to the purchaser of the
3 item, except that plates, bowls, glasses, or cups necessary for the purchaser to receive
4 the food need only be made available to the purchaser. For purposes of this
5 subdivision 3., serving sizes are based on the information contained on the label of
6 each item sold, except that, if the item has no label, the serving size is based on the
7 retailer's reasonable determination.

8 4. a. Except as provided in subd. 4. b., if a retailer sells food items that have a
9 utensil placed in a package by a person other than the retailer, the utensils are
10 considered to be provided by the retailer.

11 b. Except as provided in subds. 2. and 3., if a retailer sells food items that have
12 a utensil placed in a package by a person other than the retailer and the person's
13 primary classification in the North American Industry Classification System, 2002
14 edition, published by the federal office of management and budget, is manufacturing
15 under subsector 311, the utensils are not considered to be provided by the retailer.

16 5. For purposes of par. (a) 3., a retailer shall determine the percentage for the
17 retailer's tax year or business fiscal year, based on the retailer's data from the
18 retailer's prior tax year or business fiscal year, as soon as practical after the retailer's
19 accounting records are available, but not later than 90 days after the day on which
20 the retailer's tax year or business fiscal year begins. For a retailer with more than
21 one establishment in this state, a single determination under subd. 1. that combines
22 the information for all of the retailer's establishments in this state shall be made
23 annually, as provided in this subdivision, and apply to each of the retailer's
24 establishments in this state. A retailer that has no prior tax year or business fiscal
25 year shall make a good faith estimate of its percentage for purposes of par. (a) 3. for

1 the retailer's first tax year or business fiscal year and shall adjust the estimate
2 prospectively after the first 3 months of the retailer's operations if the actual
3 percentage is materially different from the estimated percentage.

4 **SECTION 210.** 77.51 (10n) of the statutes is created to read:

5 77.51 (10n) "Prescription" means an order, formula, or recipe that is issued by
6 any oral, written, electronic, or other means of transmission and by a person who is
7 authorized by the laws of this state to issue such an order, formula, or recipe.

8 **SECTION 211.** 77.51 (10r) of the statutes is created to read:

9 77.51 (10r) "Prewritten computer software" means computer software,
10 including prewritten upgrades, that is not designed and developed by the author or
11 other creator to the specifications of a specific purchaser. The combining of 2 or more
12 "prewritten computer software" programs or prewritten portions of computer
13 software does not cause the combination to be other than "prewritten computer
14 software." "Prewritten computer software" includes software designed and
15 developed by the author or other creator to the specifications of a specific purchaser
16 if it is sold to a person other than the specific purchaser. For purposes of this
17 subsection, if a person modifies or enhances computer software of which the person
18 is not the author or creator, the person is the author or creator only of the person's
19 modifications or enhancements. "Prewritten computer software" or a prewritten
20 portion of computer software that is modified or enhanced to any degree, with regard
21 to a modification or enhancement that is designed and developed to the specifications
22 of a specific purchaser, remains "prewritten computer software," except that if there
23 is a reasonable, separately stated charge or an invoice or other statement of the price
24 given to the purchaser for the modification or enhancement, the modification or
25 enhancement is not "prewritten computer software."

1 **SECTION 212.** 77.51 (10s) of the statutes is created to read:

2 **77.51 (10s)** “Private communication service” means a telecommunications
3 service that entitles the customer to exclusive or priority use of a communications
4 channel or group of communications channels, regardless of the manner in which the
5 communications channel or group of communications channels is connected, and
6 includes switching capacity, extension lines, stations, and other associated services
7 that are provided in connection with the use of such channel or channels.

8 **SECTION 213.** 77.51 (11d) of the statutes is created to read:

9 **77.51 (11d)** For purposes of subs. (1f), (3pf), and (9p) and ss. 77.52 (20) and (21),
10 77.522, and 77.54 (51) and (52), “product” includes tangible personal property, and
11 items, property, and goods under s. 77.52 (1) (b), (c), and (d), and services.

12 **SECTION 214.** 77.51 (11m) of the statutes is created to read:

13 **77.51 (11m)** “Prosthetic device” means a device, including the repair parts and
14 replacement parts for the device, that is placed in or worn on the body to artificially
15 replace a missing portion of the body; to prevent or correct a physical deformity or
16 malfunction; or to support a weak or deformed portion of the body.

17 **SECTION 215.** 77.51 (12) (a) of the statutes is repealed and recreated to read:

18 **77.51 (12) (a)** Any transfer of title, possession, ownership, enjoyment, or use
19 by: cash or credit transaction, exchange, barter, lease or rental, conditional or
20 otherwise, in any manner or by any means whatever of tangible personal property
21 or items, property, or goods under s. 77.52 (1) (b), (c), or (d) for a consideration,
22 including any transaction for which a person’s books and records show the
23 transaction created, with regard to the transferee, an obligation to pay a certain
24 amount of money or an increase in accounts payable or, with regard to the transferor,
25 a right to receive a certain amount of money or an increase in accounts receivable.

1 **SECTION 216.** 77.51 (12) (b) of the statutes is amended to read:

2 77.51 (12) (b) A transaction whereby the possession of property, or items,
3 property, or goods under s. 77.52 (1) (b), (c), or (d) is transferred but the seller retains
4 the title as security for the payment of the price.

5 **SECTION 217.** 77.51 (12m) of the statutes is created to read:

6 77.51 (12m) (a) "Purchase price" means the total amount of consideration,
7 including cash, credit, property, and services, for which tangible personal property,
8 or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services are sold,
9 licensed, leased, or rented, valued in money, whether paid in money or otherwise,
10 without any deduction for the following:

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

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

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

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

19 b. If a shipment includes property or items that are subject to tax under this
20 subchapter and property or items that are not subject to tax under this subchapter,
21 the amount of the delivery charge that the seller allocates to the property and items
22 that are subject to tax under this subchapter is based either on the total purchase
23 price of the property and items that are subject to tax under this subchapter as
24 compared to the total purchase price of all the property and items or on the total
25 weight of the property and items that are subject to tax under this subchapter as

1 compared to the total weight of all the property and items, except that if the seller
2 does not make the allocation under this subd. 4. b., the purchaser shall allocate the
3 delivery charge amount, consistent with this subd. 4. b.

4 5. Installation charges.

5 (b) "Purchase price" does not include:

6 1. Discounts, including cash, terms, or coupons, that are not reimbursed by a
7 3rd party, except as provided in par. (c); that are allowed by a seller; and that are
8 taken by a purchaser on a sale.

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

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

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

20 5. In all transactions in which an article of tangible personal property, an item
21 under s. 77.52 (1) (b), property under s. 77.52 (1) (c), or a good under s. 77.52 (1) (d)
22 is traded toward the purchase of an article, item, property, or good of greater value,
23 the amount of the purchase price that represents the amount allowed for the article,
24 item, property, or good traded, except that this subdivision does not apply to any
25 transaction to which subd. 7. or 8. applies.

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

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

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

16 (c) "Purchase price" includes consideration received by the seller from a 3rd
17 party, if:

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

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

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

25 4. One of the following also applies:

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

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

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

11 **SECTION 218.** 77.51 (12p) of the statutes is created to read:

12 77.51 (12p) "Purchaser" means a person to whom a sale of tangible personal
13 property is made or to whom a service is furnished.

14 **SECTION 219.** 77.51 (13) (a) of the statutes is amended to read:

15 77.51 (13) (a) Every seller who makes any sale, regardless of whether the sale
16 is mercantile in nature, of tangible personal property, or items, property, or goods
17 under s. 77.52 (1) (b), (c), or (d), or a service specified under s. 77.52 (2) (a).

18 **SECTION 220.** 77.51 (13) (b) of the statutes is amended to read:

19 77.51 (13) (b) Every person engaged in the business of making sales of tangible
20 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) for
21 storage, use or consumption or in the business of making sales at auction of tangible
22 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) owned
23 by the person or others for storage, use or other consumption.

24 **SECTION 221.** 77.51 (13) (c) of the statutes is amended to read:

1 77.51 (13) (c) When the department determines that it is necessary for the
2 efficient administration of this subchapter to regard any salespersons,
3 representatives, peddlers or canvassers as the agents of the dealers, distributors,
4 supervisors or employers under whom they operate or from whom they obtain the
5 tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or
6 (d) sold by them, irrespective of whether they are making the sales on their own
7 behalf or on behalf of such dealers, distributors, supervisors or employers, the
8 department may so regard them and may regard the dealers, distributors,
9 supervisors or employers as retailers for purposes of this subchapter.

10 **SECTION 222.** 77.51 (13) (d) of the statutes is amended to read:

11 77.51 (13) (d) Every wholesaler to the extent that the wholesaler sells tangible
12 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) to a
13 person other than a seller as defined in sub. (17) provided such wholesaler is not
14 expressly exempt from the sales tax on such sale or from collecting the use tax on such
15 sale.

16 **SECTION 223.** 77.51 (13) (e) of the statutes is amended to read:

17 77.51 (13) (e) A person selling tangible personal property or items, property,
18 or goods under s. 77.52 (1) (b), (c), or (d) to a service provider who transfers the
19 property, items, or goods in conjunction with the selling, performing or furnishing of
20 any service and the property is, items, or goods are incidental to the service, unless
21 the service provider is selling, performing or furnishing services under s. 77.52 (2)
22 (a) 7., 10., 11. and 20. This subsection does not apply to sub. (2).

23 **SECTION 224.** 77.51 (13) (f) of the statutes is amended to read:

24 77.51 (13) (f) A service provider who transfers tangible personal property or
25 items, property, or goods under s. 77.52 (1) (b), (c), or (d) in conjunction with but not