

1 incidental to the selling, performing or furnishing of any service and a service
2 provider selling, performing or furnishing services under s. 77.52 (2) (a) 7., 10., 11.
3 and 20. This subsection does not apply to sub. (2).

4 **SECTION 225.** 77.51 (13) (k) of the statutes is amended to read:

5 77.51 (13) (k) ~~As respects~~ With respect to a lease, any person deriving rentals
6 from a lease of tangible personal property or items, property, or goods under s. 77.52
7 (1) (b), (c), or (d) situated in this state.

8 **SECTION 226.** 77.51 (13) (m) of the statutes is amended to read:

9 77.51 (13) (m) A person selling tangible personal property or items, property,
10 or goods under s. 77.52 (1) (b), (c), or (d) to a veterinarian to be used or furnished by
11 the veterinarian in the performance of services in some manner related to domestic
12 animals, including pets or poultry.

13 **SECTION 227.** 77.51 (13) (n) of the statutes is amended to read:

14 77.51 (13) (n) A person selling household furniture, furnishings, equipment,
15 appliances or other items of tangible personal property or items, property, or goods
16 under s. 77.52 (1) (b), (c), or (d) to a landlord for use by tenants in leased or rented
17 living quarters.

18 **SECTION 228.** 77.51 (13) (o) of the statutes is amended to read:

19 77.51 (13) (o) A person selling ~~medicine~~ drugs for animals to a veterinarian.
20 As used in this paragraph, “animal” includes livestock, pets and poultry.

21 **SECTION 229.** 77.51 (13g) (intro.) of the statutes is amended to read:

22 77.51 (13g) (intro.) Except as provided in sub. (13h), “retailer engaged in
23 business in this state”, ~~unless otherwise limited by federal statute,~~ for purposes of
24 the use tax, means any of the following:

25 **SECTION 230.** 77.51 (13g) (a) of the statutes is amended to read:

SECTION 230

1 77.51 (13g) (a) Any retailer owning any real property in this state or leasing
2 or renting out any tangible personal property, or items, property, or goods under s.
3 77.52 (1) (b), (c), or (d), located in this state or maintaining, occupying or using,
4 permanently or temporarily, directly or indirectly, or through a subsidiary, or agent,
5 by whatever name called, an office, place of distribution, sales or sample room or
6 place, warehouse or storage place or other place of business in this state.

7 **SECTION 231.** 77.51 (13g) (b) of the statutes is amended to read:

8 77.51 (13g) (b) Any retailer having any representative, agent, salesperson,
9 canvasser or solicitor operating in this state under the authority of the retailer or its
10 subsidiary for the purpose of selling, delivering or the taking of orders for any
11 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or
12 (d), or taxable services.

13 **SECTION 232.** 77.51 (13g) (c) of the statutes is created to read:

14 77.51 (13g) (c) Any retailer selling tangible personal property, or items,
15 property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services for storage, use,
16 or other consumption in this state, unless otherwise limited by federal law.

17 **SECTION 233.** 77.51 (13r) of the statutes is amended to read:

18 77.51 (13r) Any person purchasing from a retailer as defined in sub. (13) shall
19 be deemed the consumer of the tangible personal property, or items, property, or
20 goods under s. 77.52 (1) (b), (c), or (d), or services purchased.

21 **SECTION 234.** 77.51 (13rm) of the statutes is created to read:

22 77.51 (13rm) "Retail sale" or "sale at retail" means any sale, lease, or rental
23 for any purpose other than resale, sublease, or subrent.

24 **SECTION 235.** 77.51 (13rn) of the statutes is created to read:

1 77.51 (13rn) "Ringtones" means digitized sound files that are downloaded onto
2 a device and that may be used to alert the customer with regard to a communication.
3 "Ringtones" includes MP3 or musical tones, polyphonic tones, and synthetic music
4 mobile application format tones, but does not include ring-back tones.

5 **SECTION 236.** 77.51 (14) (intro.) of the statutes is amended to read:

6 77.51 (14) (intro.) "Sale", "~~sale, lease or rental~~", "~~retail sale~~", "~~sale at retail~~", or
7 ~~equivalent terms include~~ includes any one or all of the following: the transfer of the
8 ownership of, title to, possession of, or enjoyment of tangible personal property, or
9 items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services for use or
10 consumption but not for resale as tangible personal property, or items, property, or
11 goods under s. 77.52 (1) (b), (c), or (d), or services and includes:

12 **SECTION 237.** 77.51 (14) (a) of the statutes is amended to read:

13 77.51 (14) (a) Any sale at an auction in with respect to tangible personal
14 property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) which is are sold
15 to a successful bidder. ~~The proceeds from, except the sale of tangible personal~~
16 ~~property, items, or goods sold at auction which is are~~ bid in by the seller and on which
17 title does not pass to a new purchaser ~~shall be deducted from the gross proceeds of~~
18 ~~the sale and the tax paid only on the net proceeds.~~

19 **SECTION 238.** 77.51 (14) (b) of the statutes is amended to read:

20 77.51 (14) (b) The furnishing or distributing of tangible personal property, or
21 items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable services for a
22 consideration by social clubs and fraternal organizations to their members or others.

23 **SECTION 239.** 77.51 (14) (c) of the statutes is amended to read:

1 77.51 (14) (c) A transaction whereby the possession of tangible personal
2 property is or items, property, or goods under s. 77.52 (1) (b), (c), or (d) are transferred
3 but the seller retains the title as security for the payment of the price.

4 **SECTION 240.** 77.51 (14) (d) of the statutes is repealed.

5 **SECTION 241.** 77.51 (14) (g) of the statutes is renumbered 77.51 (15a) (b) 4. and
6 amended to read:

7 77.51 (15a) (b) 4. A sale of tangible personal property or items, property, or
8 goods under s. 77.52 (1) (b), (c), or (d) to a contractor or subcontractor for use in the
9 performance of contracts with the United States or its instrumentalities for the
10 construction of improvements on or to real property.

11 **SECTION 242.** 77.51 (14) (h) of the statutes is amended to read:

12 77.51 (14) (h) A transfer for a consideration of the title or possession of tangible
13 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) which
14 has have been produced, fabricated, or printed to the special order of the customer
15 or of any publication.

16 **SECTION 243.** 77.51 (14) (i) of the statutes is repealed.

17 **SECTION 244.** 77.51 (14) (j) of the statutes is amended to read:

18 77.51 (14) (j) The granting of possession of tangible personal property or items,
19 property, or goods under s. 77.52 (1) (b), (c), or (d) by a lessor to a lessee, or to another
20 person at the direction of the lessee. Such a transaction is deemed a continuing sale
21 in this state ~~by the lessor for the duration of the lease as respects any period of time~~
22 ~~the leased property is situated in this state, irrespective of the time or place of~~
23 ~~delivery of the property to the lessee or such other person.~~

24 **SECTION 245.** 77.51 (14) (k) of the statutes is repealed.

25 **SECTION 246.** 77.51 (14) (L) of the statutes is repealed.

1 **SECTION 247.** 77.51 (14g) (a) of the statutes is amended to read:

2 77.51 (14g) (a) The transfer of property or items, property, or goods under s.
3 77.52 (1) (b), (c), or (d) to a corporation upon its organization solely in consideration
4 for the issuance of its stock;

5 **SECTION 248.** 77.51 (14g) (b) of the statutes is amended to read:

6 77.51 (14g) (b) The contribution of property or items, property, or goods under
7 s. 77.52 (1) (b), (c), or (d) to a newly formed partnership solely in consideration for a
8 partnership interest therein;

9 **SECTION 249.** 77.51 (14g) (bm) of the statutes is amended to read:

10 77.51 (14g) (bm) The contribution of property or items, property, or goods under
11 s. 77.52 (1) (b), (c), or (d) to a limited liability company upon its organization solely
12 in consideration for a membership interest;

13 **SECTION 250.** 77.51 (14g) (c) of the statutes is amended to read:

14 77.51 (14g) (c) The transfer of property or items, property, or goods under s.
15 77.52 (1) (b), (c), or (d) to a corporation, solely in consideration for the issuance of its
16 stock, pursuant to a merger or consolidation;

17 **SECTION 251.** 77.51 (14g) (cm) of the statutes is amended to read:

18 77.51 (14g) (cm) The transfer of property or items, property, or goods under s.
19 77.52 (1) (b), (c), or (d) to a limited liability company, solely in consideration for a
20 membership interest, pursuant to a merger;

21 **SECTION 252.** 77.51 (14g) (d) of the statutes is amended to read:

22 77.51 (14g) (d) The distribution of property or items, property, or goods under
23 s. 77.52 (1) (b), (c), or (d) by a corporation to its stockholders as a dividend or in whole
24 or partial liquidation;

25 **SECTION 253.** 77.51 (14g) (e) of the statutes is amended to read:

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

4 **SECTION 254.** 77.51 (14g) (em) of the statutes is amended to read:

5 77.51 (14g) (em) The distribution of property or items, property, or goods under
6 s. 77.52 (1) (b), (c), or (d) by a limited liability company to its members in whole or
7 partial liquidation;

8 **SECTION 255.** 77.51 (14g) (f) of the statutes is amended to read:

9 77.51 (14g) (f) Repossession of property or items, property, or goods under s.
10 77.52 (1) (b), (c), or (d) by the seller from the purchaser when the only consideration
11 is cancellation of the purchaser's obligation to pay the remaining balance of the
12 purchase price;

13 **SECTION 256.** 77.51 (14g) (g) of the statutes is amended to read:

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

18 **SECTION 257.** 77.51 (14g) (h) of the statutes is amended to read:

19 77.51 (14g) (h) Any transfer of all or substantially all the property or items,
20 property, or goods under s. 77.52 (1) (b), (c), or (d) held or used by a person in the
21 course of an activity requiring the holding of a seller's permit, if after the transfer
22 the real or ultimate ownership of the property, items, or goods is substantially similar
23 to that which existed before the transfer. For the purposes of this section,
24 stockholders, bondholders, partners, members or other persons holding an interest
25 in a corporation or other entity are regarded as having the real or ultimate ownership

1 of the property, items, or goods of the corporation or other entity. In this paragraph,
2 “substantially similar” means 80% or more of ownership.

3 **SECTION 258.** 77.51 (14r) of the statutes is repealed.

4 **SECTION 259.** 77.51 (15) of the statutes is repealed.

5 **SECTION 260.** 77.51 (15a) of the statutes is created to read:

6 77.51 (**15a**) (a) “Sales, lease, or rental for resale, sublease, or subrent” includes
7 transfers of tangible personal property or items, property, or goods under s. 77.52 (1)
8 (b), (c), or (d) to a service provider that the service provider transfers in conjunction
9 with but not incidental to the selling, performing, or furnishing of any service, and
10 transfers of tangible personal property or items, property, or goods under s. 77.52 (1)
11 (b), (c), or (d) to a service provider that the service provider physically transfers in
12 conjunction with the selling, performing, or furnishing services under s. 77.52 (2) (a)
13 7., 10., 11., or 20. This paragraph does not apply to sub. (2).

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

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

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

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

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

9 **SECTION 261.** 77.51 (15b) of the statutes is created to read:

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

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

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

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

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

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

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

6 5. Installation charges.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 4. One of the following also applies:

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

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

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

15 **SECTION 262.** 77.51 (17) (intro.) of the statutes is amended to read:

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

22 **SECTION 263.** 77.51 (17m) of the statutes is repealed and recreated to read:

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

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

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

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

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

11 **SECTION 264.** 77.51 (17w) of the statutes is created to read:

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

16 **SECTION 265.** 77.51 (17x) of the statutes is created to read:

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

22 **SECTION 266.** 77.51 (18) of the statutes is amended to read:

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

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

3 **SECTION 267.** 77.51 (20) of the statutes is amended to read:

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

13 **SECTION 268.** 77.51 (20) of the statutes, as affected by 2009 Wisconsin Act
14 (this act), is repealed and recreated to read:

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

19 **SECTION 269.** 77.51 (21) of the statutes is amended to read:

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

23 **SECTION 270.** 77.51 (21m) of the statutes is amended to read:

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

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

9 **SECTION 271.** 77.51 (21m) of the statutes, as affected by 2009 Wisconsin Act
10 (this act), is renumbered 77.51 (5f) and amended to read:

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

22 **SECTION 272.** 77.51 (21n) of the statutes is created to read:

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

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

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

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

12 (c) Tangible personal property.

13 (d) Advertising, including directory advertising.

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

15 (f) Internet access services.

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

21 (h) Ancillary services.

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

24 **SECTION 273.** 77.51 (21p) of the statutes is created to read:

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

3 **SECTION 274.** 77.51 (21q) of the statutes is created to read:

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

6 **SECTION 275.** 77.51 (22) (a) of the statutes is amended to read:

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

15 **SECTION 276.** 77.51 (22) (b) of the statutes is amended to read:

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

24 **SECTION 277.** 77.51 (22) (bm) of the statutes is created to read:

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

9 **SECTION 278.** 77.51 (24) of the statutes is created to read:

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

14 **SECTION 279.** 77.51 (25) of the statutes is created to read:

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

19 **SECTION 280.** 77.51 (26) of the statutes is created to read:

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

23 **SECTION 281.** 77.52 (1) of the statutes is renumbered 77.52 (1) (a) and amended
24 to read:

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

7 **SECTION 282.** 77.52 (1) (b) of the statutes is created to read:

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

12 **SECTION 283.** 77.52 (1) (c) of the statutes is created to read:

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

18 **SECTION 284.** 77.52 (1) (d) of the statutes is created to read:

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

24 **SECTION 285.** 77.52 (1b) of the statutes is repealed and recreated to read:

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

5 **SECTION 286.** 77.52 (2) (intro.) of the statutes is amended to read:

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

14 **SECTION 287.** 77.52 (2) (a) 5. a. of the statutes is amended to read:

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

24 **SECTION 288.** 77.52 (2) (a) 5. a. of the statutes, as affected by 2009 Wisconsin
25 Act (this act), is amended to read:

1 77.52 (2) (a) 5. a. ~~The sale of telecommunications and Internet access services,~~
2 ~~except services subject to 4 USC 116 to 126, as amended by P.L. 106-252, that either~~
3 ~~originate or terminate in this state; except services that are obtained by means of a~~
4 ~~toll-free number, that originate outside this state and that terminate in this state;~~
5 ~~and are charged to a service address in this state, regardless of the location where~~
6 ~~that charge is billed or paid; and the sale of the rights to purchase~~
7 ~~telecommunications services, including purchasing reauthorization numbers, by~~
8 ~~paying in advance and by using an access number and authorization code, except~~
9 ~~sales that are subject to subd. 5. b.~~

10 **SECTION 289.** 77.52 (2) (a) 5. am. of the statutes is created to read:

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

13 **SECTION 290.** 77.52 (2) (a) 5. b. of the statutes is repealed.

14 **SECTION 291.** 77.52 (2) (a) 5. c. of the statutes is created to read:

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

17 **SECTION 292.** 77.52 (2) (a) 5m. of the statutes is amended to read:

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

25 **SECTION 293.** 77.52 (2) (a) 10. of the statutes is amended to read:

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

23 **SECTION 294.** 77.52 (2) (a) 11. of the statutes, as affected by 2007 Wisconsin Act
24 20, is amended to read:

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

8 **SECTION 295.** 77.52 (2) (a) 13m. of the statutes is created to read:

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

18 **SECTION 296.** 77.52 (2m) (a) of the statutes is amended to read:

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

24 **SECTION 297.** 77.52 (2m) (b) of the statutes is amended to read:

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

7 **SECTION 298.** 77.52 (2n) of the statutes is repealed and recreated to read:

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

12 **SECTION 299.** 77.52 (3m) of the statutes is repealed.

13 **SECTION 300.** 77.52 (3n) of the statutes is repealed.

14 **SECTION 301.** 77.52 (4) of the statutes is amended to read:

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

21 **SECTION 302.** 77.52 (6) of the statutes is repealed.

22 **SECTION 303.** 77.52 (7) of the statutes is amended to read:

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

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

12 **SECTION 304.** 77.52 (7b) of the statutes is created to read:

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

16 **SECTION 305.** 77.52 (12) of the statutes is amended to read:

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

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

3 **SECTION 306.** 77.52 (13) of the statutes is amended to read:

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

21 **SECTION 307.** 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are
22 consolidated, renumbered 77.52 (14) (a) and amended to read:

23 77.52 (14) (a) The certificate referred to in sub. (13) relieves the seller ~~from the~~
24 ~~burden of proof of the tax otherwise applicable only if any of the following is true:~~
25 ~~1. The certificate is taken in good faith~~ the seller obtains a fully completed exemption

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

21 **SECTION 308.** 77.52 (14) (a) 2. of the statutes is repealed.

22 **SECTION 309.** 77.52 (14) (am) of the statutes is created to read:

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

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

4 **SECTION 310.** 77.52 (14) (bm) of the statutes is created to read:

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

9 **SECTION 311.** 77.52 (15) of the statutes is amended to read:

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

23 **SECTION 312.** 77.52 (16) of the statutes is amended to read:

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

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

8 **SECTION 313.** 77.52 (17m) (b) 6. of the statutes is amended to read:

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

13 **SECTION 314.** 77.52 (19) of the statutes is amended to read:

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

24 **SECTION 315.** 77.52 (20) of the statutes is created to read:

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

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

11 **SECTION 316.** 77.52 (21) of the statutes is created to read:

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

16 **SECTION 317.** 77.52 (22) of the statutes is created to read:

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

21 **SECTION 318.** 77.52 (23) of the statutes is created to read:

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

1 **SECTION 319.** 77.522 of the statutes is created to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

14 5. If the location of a sale of a product cannot be determined under subds. 1. to
15 4., the location of the sale is determined as follows:

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

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

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

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

19 **(2) DIGITAL GOODS.** (a) The location of a sale of a digital good under s. 77.52 (1)
20 (d) is determined as follows:

21 1. If a purchaser receives the digital good at a seller's business location, the
22 sale is sourced to that business location.

23 2. If a purchaser does not receive the digital good at a seller's business location,
24 the sale is sourced to the location where the purchaser, or the purchaser's designated

1 donee, receives the digital good, including the location indicated by the instructions
2 known to the seller for delivery to the purchaser or the purchaser's designated donee.

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

8 4. If the location of a sale of the digital good cannot be determined under subd.
9 1., 2., or 3., the sale is sourced to the purchaser's address as obtained during the
10 consummation of the sale, including the address indicated on the purchaser's
11 payment instrument, if no other address is available and if using that address is not
12 in bad faith.

13 5. If the location of a sale of the digital good cannot be determined under subd.
14 1., 2., 3., or 4., including the circumstance in which the seller has insufficient
15 information to determine the location under subd. 1., 2., 3., or 4., the sale is sourced
16 to the location from which the digital good was first available for transmission by the
17 seller, not including any location from which the digital good was merely transferred
18 electronically.

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

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

23 2. If the digital good is moved from the place where the digital good was initially
24 delivered, the subsequent periodic payments on the license are sourced to the digital
25 good's primary location as indicated by an address for the digital good that is

1 provided by the licensee and that is available to the licensor in records that the
2 licensor maintains in the ordinary course of the licensor's business, if the use of such
3 an address does not constitute bad faith. The location of a license as determined
4 under this paragraph shall not be altered by any intermittent use of the digital good
5 at different locations.

6 (3) LEASE OR RENTAL. (a) Except as provided in pars. (b) and (c), with regard
7 to the first or only payment on the lease or rental, the lease or rental of tangible
8 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) is
9 sourced to the location determined under sub. (1) (b). If the property, item, or good
10 is moved from the place where the property, item, or good was initially delivered, the
11 subsequent periodic payments on the lease or rental are sourced to the property's,
12 item's, or good's primary location as indicated by an address for the property, item,
13 or good that is provided by the lessee and that is available to the lessor in records that
14 the lessor maintains in the ordinary course of the lessor's business, if the use of such
15 an address does not constitute bad faith. The location of a lease or rental as
16 determined under this paragraph shall not be altered by any intermittent use of the
17 property, item, or good at different locations.

18 (b) The lease or rental of motor vehicles, trailers, semitrailers, and aircraft,
19 that are not transportation equipment, is sourced to the primary location of such
20 motor vehicles, trailers, semitrailers, or aircraft as indicated by an address for the
21 property that is provided by the lessee and that is available to the lessor in records
22 that the lessor maintains in the ordinary course of the lessor's business, if the use
23 of such an address does not constitute bad faith, except that a lease or rental under
24 this paragraph that requires only one payment is sourced to the location determined
25 under sub. (1) (b). The location of a lease or rental as determined under this

1 paragraph shall not be altered by any intermittent use of the property at different
2 locations.

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

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

8 **(4) TELECOMMUNICATIONS.** (a) In this subsection:

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

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

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

17 4. "Customer" means a person who enters into a contract with a seller of
18 telecommunications services or, in any transaction for which the end user is not the
19 person who entered into a contract with the seller of telecommunications services,
20 the end user of the telecommunications services. "Customer" does not include a
21 person who resells telecommunications services or, for mobile telecommunications
22 services, a serving carrier under an agreement to serve a customer outside the home
23 service provider's licensed service area.

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

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

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

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

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

10 10. "Postpaid calling service" means a telecommunications service that is
11 obtained by paying for it on a call-by-call basis using a bankcard, travel card, credit
12 card, debit card, or similar method, or by charging it to a telephone number that is
13 not associated with the location where the telecommunications service originates or
14 terminates. "Postpaid calling service" includes a telecommunications service, not
15 including a prepaid wireless calling service, that would otherwise be a prepaid
16 calling service except that the service provided to the customer is not exclusively a
17 telecommunications service.

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

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

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

24 (b) Except as provided in pars. (d) to (j), the sale of a telecommunications service
25 that is sold on a call-by-call basis is sourced to the taxing jurisdiction for sales and

1 use tax purposes where the call originates and terminates, in the case of a call that
2 originates and terminates in the same such jurisdiction, or the taxing jurisdiction for
3 sales and use tax purposes where the call originates or terminates and where the
4 service address is located.

5 (c) Except as provided in pars. (d) to (j), the sale of a telecommunications service
6 that is sold on a basis other than a call-by-call basis is sourced to the customer's
7 place of primary use.

8 (d) The sale of a mobile telecommunications service, except an air-to-ground
9 radiotelephone service and a prepaid calling service, is sourced to the customer's
10 place of primary use.

11 (e) The sale of a postpaid calling service is sourced to the location where the
12 signal of the telecommunications service originates, as first identified by the seller's
13 telecommunications system or, if the signal is not transmitted by the seller's
14 telecommunications system, by information that the seller received from the seller's
15 service provider.

16 (f) The sale of a prepaid calling service or a prepaid wireless calling service is
17 sourced to the location determined under sub. (1) (b), except that, if the service is a
18 prepaid wireless calling service and the location cannot be determined under sub. (1)
19 (b) 1. to 4., the prepaid wireless calling service occurs at the location determined
20 under sub. (1) (b) 5. c. or at the location associated with the mobile telephone number,
21 as determined by the seller.

22 (g) 1. The sale of a private communication service for a separate charge related
23 to a customer channel termination point is sourced to the location of the customer
24 channel termination point.

1 2. The sale of a private communication service in which all customer channel
2 termination points are located entirely in one taxing jurisdiction for sales and use
3 tax purposes is sourced to the taxing jurisdiction in which the customer channel
4 termination points are located.

5 3. If the segments are charged separately, the sale of a private communication
6 service that represents segments of a communications channel between 2 customer
7 channel termination points that are located in different taxing jurisdictions for sales
8 and use tax purposes is sourced to an equal percentage in both such jurisdictions.

9 4. If the segments are not charged separately, the sale of a private
10 communication service for segments of a communications channel that is located in
11 more than one taxing jurisdiction for sales and use tax purposes is sourced to each
12 such jurisdiction in a percentage determined by dividing the number of customer
13 channel termination points in that jurisdiction by the number of customer channel
14 termination points in all jurisdictions where segments of the communications
15 channel are located.

16 (h) The sale of an Internet access service is sourced to the customer's place of
17 primary use.

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

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

24 **(5) FLORISTS.** (a) For purposes of this subsection, "retail florist" means a person
25 engaged in the business of selling cut flowers, floral arrangements, and potted plants

1 and who prepares such flowers, floral arrangements, and potted plants. "Retail
2 florist" does not include a person who sells cut flowers, floral arrangements, and
3 potted plants primarily by mail or via the Internet.

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

6 **SECTION 320.** 77.523 (title) of the statutes is repealed.

7 **SECTION 321.** 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended
8 to read:

9 77.59 (9p) (a) If a customer purchases a service that is subject to 4 USC 116
10 to 126, as amended by P.L. 106-252, and if the customer believes that the amount
11 of the tax assessed for the service under this subchapter or the place of primary use
12 or taxing jurisdiction assigned to the service is erroneous, the customer may request
13 that the service provider correct the alleged error by sending a written notice to the
14 service provider. The notice shall include a description of the alleged error, the street
15 address for the customer's place of primary use of the service, the account name and
16 number of the service for which the customer seeks a correction, and any other
17 information that the service provider reasonably requires to process the request.
18 Within 60 days from the date that a service provider receives a request under this
19 section paragraph, the service provider shall review its records to determine the
20 customer's taxing jurisdiction. If the review indicates that there is no error as
21 alleged, the service provider shall explain the findings of the review in writing to the
22 customer. If the review indicates that there is an error as alleged, the service
23 provider shall correct the error and shall refund or credit the amount of any tax
24 collected erroneously, along with the related interest, as a result of the error from the
25 customer in the previous 48 months, consistent with s. 77.59 (4). A customer may

1 take no other action against the service provider, or commence any action, to correct
2 an alleged error in the amount of the tax assessed under this subchapter on a service
3 that is subject to 4 USC 116 to 126, as amended by P.L. 106-252, or to correct an
4 alleged error in the assigned place of primary use or taxing jurisdiction, unless the
5 customer has exhausted his or her remedies under this section paragraph.

6 **SECTION 322.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

7 **SECTION 323.** 77.524 (1) (ag) of the statutes is created to read:

8 77.524 (1) (ag) "Agent" means a person appointed by a seller to represent the
9 seller before the states that are signatories to the agreement, as defined in s. 77.65
10 (2) (a).

11 **SECTION 324.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g) and
12 amended to read:

13 77.51 (1g) "Certified service provider" means an agent that is certified jointly
14 by the states that are signatories to the agreement, as defined in s. 77.65 (2) (a), and
15 that performs all of a seller's sales tax and use tax functions related to the seller's
16 retail sales, except that a certified service provider is not responsible for a retailer's
17 obligation to remit tax on the retailer's own purchases.

18 **SECTION 325.** 77.525 of the statutes is amended to read:

19 **77.525 Reduction to prevent double taxation.** Any person who is subject
20 to the tax under s. 77.52 (2) (a) 5. ~~a.~~ on telecommunications services that terminate
21 in this state and who has paid a similar tax on the same services to another state may
22 reduce the amount of the tax remitted to this state by an amount equal to the similar
23 tax properly paid to another state on those services or by the amount due this state
24 on those services, whichever is less. That person shall refund proportionally to the

1 persons to whom the tax under s. 77.52 (2) (a) 5. ~~a.~~ was passed on an amount equal
2 to the amounts not remitted.

3 **SECTION 326.** 77.53 (1) of the statutes is amended to read:

4 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
5 on the use or consumption in this state of taxable services under s. 77.52 purchased
6 from any retailer, at the rate of 5% of the sales purchase price of those services; on
7 the storage, use or other consumption in this state of tangible personal property and
8 items or property under s. 77.52 (1) (b) or (c) purchased from any retailer, at the rate
9 of 5% of the sales purchase price of that the property or items; on the storage, use,
10 or other consumption of goods under s. 77.52 (1) (d) purchased from any retailer, if
11 the purchaser has the right to use the goods on a permanent or less than permanent
12 basis and regardless of whether the purchaser is required to make continued
13 payments for such right, at the rate of 5 percent of the sales price of the goods; and
14 on the storage, use or other consumption of tangible personal property or items,
15 property, or goods under s. 77.52 (1) (b), (c), or (d) manufactured, processed or
16 otherwise altered, in or outside this state, by the person who stores, uses or consumes
17 it, from material purchased from any retailer, at the rate of 5% of the sales purchase
18 price of that material.

19 **SECTION 327.** 77.53 (1b) of the statutes is repealed and recreated to read:

20 77.53 (1b) The storage, use, or other consumption in this state of tangible
21 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d), and
22 the use or other consumption in this state of a taxable service, purchased from any
23 retailer is subject to the tax imposed in this section unless an exemption in this
24 subchapter applies.

25 **SECTION 328.** 77.53 (2) of the statutes is amended to read:

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

11 **SECTION 329.** 77.53 (3) of the statutes is amended to read:

12 77.53 (3) Every retailer engaged in business in this state and making sales of
13 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or
14 (d), or taxable services ~~for delivery into this state or with knowledge directly or~~
15 ~~indirectly that the property or service is intended for storage, use or other~~
16 ~~consumption in that are sourced to this state under s. 77.522~~, shall, at the time of
17 making the sales ~~or, if the storage, use or other consumption of the tangible personal~~
18 ~~property or taxable service is not then taxable under this section, at the time the~~
19 ~~storage, use or other consumption becomes taxable~~, collect the tax from the
20 purchaser and give to the purchaser a receipt in the manner and form prescribed by
21 the department.

22 **SECTION 330.** 77.53 (4) of the statutes is repealed.

23 **SECTION 331.** 77.53 (9) of the statutes is amended to read:

24 77.53 (9) Every retailer selling tangible personal property, or items, property,
25 or goods under s. 77.52 (1) (b), (c), or (d), or taxable services for storage, use or other

1 consumption in this state shall register with the department and obtain a certificate
2 under s. 73.03 (50) and give the name and address of all agents operating in this
3 state, the location of all distribution or sales houses or offices or other places of
4 business in this state, the standard industrial code classification of each place of
5 business in this state and the other information that the department requires. Any
6 person who may register under this subsection may designate an agent, as defined
7 in s. 77.524 (1) (ag), to register with the department under this subsection, in the
8 manner prescribed by the department.

9 **SECTION 332.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a) and
10 amended to read:

11 77.53 (9m) (a) Any person who is not otherwise required to collect any tax
12 imposed by this subchapter and who makes sales to persons within this state of
13 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or
14 (d), or taxable services the use of which is subject to tax under this subchapter may
15 register with the department under the terms and conditions that the department
16 imposes and shall obtain a valid certificate under s. 73.03 (50) and thereby be
17 authorized and required to collect, report, and remit to the department the use tax
18 imposed by this subchapter.

19 **SECTION 333.** 77.53 (9m) (b) of the statutes is created to read:

20 77.53 (9m) (b) Any person who may register under par. (a) may designate an
21 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),
22 in the manner prescribed by the department.

23 **SECTION 334.** 77.53 (9m) (c) of the statutes is created to read:

1 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise
2 required to collect any tax imposed by this subchapter shall not be used as a factor
3 in determining whether the seller has nexus with this state for any tax at any time.

4 **SECTION 335.** 77.53 (10) of the statutes is amended to read:

5 77.53 (10) For the purpose of the proper administration of this section and to
6 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that
7 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or
8 (d), or taxable services sold by any person for delivery in this state is sold for storage,
9 use, or other consumption in this state until the contrary is established. The burden
10 of proving the contrary is upon the person who makes the sale unless that person
11 takes from the purchaser -a- an electronic or paper certificate, in a manner prescribed
12 by department, to the effect that the property, or items, property, or goods under s.
13 77.52 (1) (b), (c), or (d), or taxable service is purchased for resale, or otherwise exempt
14 from the tax, except that no certificate is required for sales of cattle, sheep, goats,
15 and pigs that are sold at an animal market, as defined in s. 95.68 (1) (ag), and no
16 certificate is required for sales of commodities, as defined in 7 USC 2, that are
17 consigned for sale in a warehouse in or from which the commodity is deliverable on
18 a contract for future delivery subject to the rules of a commodity market regulated
19 by the U.S. commodity futures trading commission if upon the sale the commodity
20 is not removed from the warehouse the sale of tangible personal property, or items,
21 property, or goods under s. 77.52 (1) (b), (c), or (d), or services that are exempt under
22 s. 77.54 (7), (7m), (8), (10), (11), (14), (15), (17), (20n), (21), (22b), (31), (32), (35), (36),
23 (37), (42), (44), (45), (46), (51), and (52).

24 **SECTION 336.** 77.53 (11) of the statutes is renumbered 77.53 (11) (a) and
25 amended to read:

1 77.53 (11) (a) The certificate referred to in under sub. (10) relieves the person
2 selling the property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or
3 service from the burden of proof of the tax otherwise applicable only if taken in good
4 faith the seller obtains a fully completed exemption certificate, or the information
5 required to prove the exemption, from a person who is engaged as a seller of tangible
6 personal property or taxable services and who holds the permit provided for by s.
7 77.52 (9) and who, at the time of purchasing the purchaser no later than 90 days after
8 the date of the sale of the tangible personal property, or items, property, or goods
9 under s. 77.52 (1) (b), (c), or (d), or taxable service, intends to sell it in the regular
10 course of operations or is unable to ascertain at the time of purchase whether the
11 property or service will be sold or will be used for some other purpose, or if taken in
12 good faith from a person claiming exemption, except as provided in par. (b). The
13 certificate under sub. (10) shall not relieve the seller of the tax otherwise applicable
14 if the seller fraudulently fails to collect sales tax or solicits the purchaser to claim an
15 unlawful exemption, or accepts an exemption certificate from a purchaser who
16 claims to be an entity that is not subject to the taxes imposed under this subchapter,
17 if the subject of the transaction sought to be covered by the exemption certificate is
18 received by the purchaser at a location operated by the seller in this state and the
19 exemption certificate clearly and affirmatively indicates that the claimed exemption
20 is not available in this state. The certificate shall be signed by and bear the name
21 and address of provide information that identifies the purchaser and shall indicate
22 the number of the permit issued to the purchaser, the general character of tangible
23 personal property or taxable service sold by the purchaser and the basis for the
24 claimed exemption and a paper certificate shall be signed by the purchaser. The
25 certificate shall be substantially in the form that the department prescribes by rule.

1 **SECTION 337.** 77.53 (11) (b) of the statutes is created to read:

2 77.53 (11) (b) If the seller has not obtained a fully completed exemption
3 certificate or the information required to prove the exemption, as provided in par. (a),
4 the seller may, no later than 120 days after the department requests that the seller
5 substantiate the exemption, either provide proof of the exemption to the department
6 by other means or obtain, in good faith, a fully completed exemption certificate from
7 the purchaser.

8 **SECTION 338.** 77.53 (12) of the statutes is amended to read:

9 77.53 (12) If a purchaser who gives a certificate makes any storage or use of
10 the property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service
11 other than retention, demonstration, or display while holding it for sale in the
12 regular course of operations as a seller, the storage or use is taxable as of the time
13 the property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service
14 is first so stored or used.

15 **SECTION 339.** 77.53 (14) of the statutes is amended to read:

16 77.53 (14) It is presumed that tangible personal property, or items, property,
17 or goods under s. 77.52 (1) (b), (c), or (d), or taxable services shipped or brought to this
18 state by the purchaser were purchased from or serviced by a retailer.

19 **SECTION 340.** 77.53 (15) of the statutes is repealed.

20 **SECTION 341.** 77.53 (16) of the statutes is amended to read:

21 77.53 (16) If the purchase, rental or lease of tangible personal property, or
22 items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service subject to the tax
23 imposed by this section was subject to a sales tax by another state in which the
24 purchase was made, the amount of sales tax paid the other state shall be applied as
25 a credit against and deducted from the tax, to the extent thereof, imposed by this

1 section, except no credit may be applied against and deducted from a sales tax paid
2 on the purchase of direct mail, if the direct mail purchaser did not provide to the
3 seller a direct pay permit, an exemption certificate claiming direct mail, or other
4 information that indicates the appropriate taxing jurisdiction to which the direct
5 mail is delivered to the ultimate recipients. In this subsection "sales tax" includes
6 a use or excise tax imposed on the use of tangible personal property, or items,
7 property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable service by the state in
8 to which the sale occurred was sourced and "state" includes the District of Columbia
9 but does not include and the commonwealth of Puerto Rico or but does not include
10 the several territories organized by congress.

11 **SECTION 342.** 77.53 (17) of the statutes is amended to read:

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

22 **SECTION 343.** 77.53 (17m) of the statutes is amended to read:

23 77.53 (17m) This section does not apply to a boat purchased in a state
24 contiguous to this state, as determined under s. 77.522, by a person domiciled in that
25 state if the boat is berthed in this state's boundary waters adjacent to the state of the

1 domicile of the purchaser and if the transaction was an exempt occasional sale under
2 the laws of the state in which the purchase was made.

3 **SECTION 344.** 77.53 (17r) (a) of the statutes is amended to read:

4 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

5 **SECTION 345.** 77.53 (18) of the statutes is amended to read:

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

14 **SECTION 346.** 77.54 (1) of the statutes is amended to read:

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

21 **SECTION 347.** 77.54 (2) of the statutes is amended to read:

22 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or
23 other consumption of tangible personal property becoming an ingredient or
24 component part of an article of tangible personal property or which is consumed or

1 destroyed or loses its identity in the manufacture of tangible personal property in
2 any form destined for sale, except as provided in sub. (30) (a) 6.

3 **SECTION 348.** 77.54 (2m) of the statutes is amended to read:

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

13 **SECTION 349.** 77.54 (3) (a) of the statutes is amended to read:

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

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

3 **SECTION 350.** 77.54 (3m) (intro.) of the statutes is amended to read:

4 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the
5 storage, use or other consumption of the following items if they are used exclusively
6 by the purchaser or user in the business of farming; including dairy farming,
7 agriculture, horticulture, floriculture, silviculture, and custom farming services:

8 **SECTION 351.** 77.54 (4) of the statutes is amended to read:

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

15 **SECTION 352.** 77.54 (5) (intro.) of the statutes is amended to read:

16 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
17 use or other consumption of:

18 **SECTION 353.** 77.54 (6) (intro.) of the statutes is amended to read:

19 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
20 use or other consumption of:

21 **SECTION 354.** 77.54 (7m) of the statutes is amended to read:

22 77.54 (7m) Occasional sales of tangible personal property, or items, property,
23 or goods under s. 77.52 (1) (b), (c), and (d), or services, including admissions or tickets
24 to an event; by a neighborhood association, church, civic group, garden club, social
25 club or similar nonprofit organization; not involving entertainment for which