

1 behalf, performs ~~the~~ packaging and if the packaging becomes part of the new article
2 as it is customarily offered for sale by the manufacturer. E

3 **SECTION 1832.** 77.51 (7h) (b) of the statutes is created to read: PK

4 77.51 (7h) (b) "Manufacturing" does not include storing raw materials or F
5 finished units of tangible personal property, research or development, delivery to or
6 from the plant, or repairing or maintaining plant facilities.

7 **SECTION 1832b.** 77.51 (7h) (b) of the statutes, as created by 2009 Wisconsin Act
8 (this act), is repealed and recreated to read:

9 77.51 (7h) (b) "Manufacturing" does not include storing raw materials or
10 finished units of tangible personal property or items or property under s. 77.52 (1)
11 (b) or (c), research or development, delivery to or from the plant, or repairing or
12 maintaining plant facilities.

13 **SECTION 1833.** 77.51 (10) of the statutes is amended to read:

14 77.51 (10) "Person" includes any natural person, firm, partnership, limited
15 liability company, joint venture, joint stock company, association, public or private
16 corporation, the United States, the state, including any unit or division of the state,
17 any county, city, village, town, municipal utility, municipal power district or other
18 governmental unit, cooperative, unincorporated cooperative association, estate,
19 trust, receiver, personal representative, any other fiduciary, and any representative
20 appointed by order of any court or otherwise acting on behalf of others. "Person" also
21 includes the owner of a single-owner entity that is disregarded as a separate entity
22 under ch. 71.

23 **SECTION 1833b.** 77.51 (10) of the statutes, as affected by 2009 Wisconsin Acts
24 2 and (this act), is repealed and recreated to read:

1 77.51 (10) "Person" includes any natural person, firm, partnership, limited
2 liability company, joint venture, joint stock company, association, public or private
3 corporation, the United States, the state, including any unit or division of the state,
4 any county, city, village, town, municipal utility, municipal power district or other
5 governmental unit, cooperative, unincorporated cooperative association, estate,
6 trust, receiver, personal representative, any other fiduciary, any other legal entity,
7 and any representative appointed by order of any court or otherwise acting on behalf
8 of others.

9 **SECTION 1834.** 77.51 (10b) of the statutes is created to read:

10 77.51 (10b) For purposes of sub. (7h), "plant" means a parcel of property or
11 adjoining parcels of property, including parcels that are separated only by a public
12 road, and the buildings, machinery, and equipment that are located on the parcel,
13 that are owned by or leased to the manufacturer.

14 **SECTION 1835.** 77.51 (10c) of the statutes is created to read:

15 77.51 (10c) For purposes of sub. (7h), "plant inventory" does not include
16 unsevered mineral deposits.

17 ~~**SECTION 1835dg.** 77.51 (12m) (b) 9. of the statutes, as created by 2009
18 Wisconsin Act (this act), is repealed.~~

19 **SECTION 1835dr.** 77.51 (12m) (b) 10. of the statutes is created to read:

20 77.51 (12m) (b) 10. The surcharges imposed under s. 256.35 (3g) (a) 1. and 2.
21 a.

22 **SECTION 1835e.** 77.51 (13) (k) of the statutes, as affected by 2009 Wisconsin Act
23 2, is amended to read:

1 77.51 (13) (k) With respect to a lease, any person deriving rentals from a lease
2 of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c),
3 or (d) ~~situated in~~ sourced to this state as provided under s. 77.522.

4 **SECTION 1835f.** 77.51 (13g) (a) of the statutes, as affected by 2009 Wisconsin
5 Act 2, is amended to read:

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

12 **SECTION 1836.** 77.51 (13g) (d) of the statutes is created to read:

13 77.51 (13g) (d) Any person who has an affiliate in this state, if the person is
14 related to the affiliate and if the affiliate uses facilities or employees in this state to
15 advertise, promote, or facilitate the establishment of or market for sales of items by
16 the related person to purchasers in this state or for providing services to the related
17 person's purchasers in this state, including accepting returns of purchases or
18 resolving customer complaints. For purposes of this paragraph, 2 persons are
19 related if any of the following apply:

20 1. One person, or each person, is a corporation and one person and any person
21 related to that person in a manner that would require a stock attribution from the
22 corporation to the person or from the person to the corporation under section 318 of
23 the Internal Revenue Code owns directly, indirectly, beneficially, or constructively at
24 least 50 percent of the corporation's outstanding stock value.

1 2. One person, or each person, is a partnership, estate, or trust and any partner
2 or beneficiary; and the partnership, estate, or trust and its partners or beneficiaries;
3 own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50
4 percent of the profits, capital, stock, or value of the other person or both persons.

5 3. An individual stockholder and the members of the stockholder's family, as
6 defined in section 318 of the Internal Revenue Code, owns directly, indirectly,
7 beneficially, or constructively, in the aggregate, at least 50 percent of both persons'
8 outstanding stock value.

9 **SECTION 1836c.** 77.51 (14) (j) of the statutes, as affected by 2009 Wisconsin Act
10 2, is amended to read:

11 77.51 (14) (j) The granting of possession of tangible personal property or items,
12 property, or goods under s. 77.52 (1) (b), (c), or (d) by a lessor to a lessee, or to another
13 person at the direction of the lessee. Such a transaction involving tangible personal
14 property is deemed a continuing sale in this state.

15 **SECTION 1836d.** 77.51 (14a) of the statutes is created to read:

16 77.51 (14a) For purposes of ss. 77.54, 77.55, and 77.56, "sale" includes licenses,
17 leases, and rentals.

18 ~~**SECTION 1836eg.** 77.51 (15b) (b) 9. of the statutes, as created by 2009 Wisconsin~~
19 ~~Act (this act), is repealed."~~ ✓

20 **SECTION 1836er.** 77.51 (15b) (b) 10. of the statutes is created to read:

21 77.51 (15b) (b) 10. The surcharges imposed under s. 256.35 (3g) (a) 1. and 2.

22 a.

23 **SECTION 1836f.** 77.51 (17x) of the statutes, as created by 2009 Wisconsin Act

24 2, is amended to read:

1 77.51 (17x) "Specified digital goods" means digital audio works, digital
2 audiovisual works, and digital books. For purposes of this subchapter, the sale,
3 license, lease, or rental of or the storage, use, or other consumption of a digital code
4 is treated the same as the sale, license, lease, or rental of or the storage, use, or other
5 consumption of any specified digital goods for which the digital code relates.

6 **SECTION 1836g.** 77.51 (20) of the statutes, as affected by 2009 Wisconsin Act
7 2, section 333, is amended to read:

8 77.51 (20) "Tangible personal property" means personal property that can be
9 seen, weighed, measured, felt, or touched, or that is in any other manner perceptible
10 to the senses, and includes electricity, gas, steam, water, and prewritten computer
11 software, regardless of how it is delivered to the purchaser.

12 **SECTION 1836h.** 77.51 (24) of the statutes, as created by 2009 Wisconsin Act
13 2, is amended to read:

14 77.51 (24) "Value-added nonvoice data service" means a service that otherwise
15 meets the definition of telecommunications services, in which computer processing
16 applications are used to act on the form, content, code, or protocol of the information
17 or data provided by the service and are used primarily for a purpose other than for
18 transmitting, conveying, or routing data.

19 **SECTION 1836i.** 77.52 (1) (a) of the statutes, as affected by 2009 Wisconsin Act
20 2, is amended to read:

21 77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible
22 personal property, ~~including accessories, components, attachments, parts, supplies~~
23 ~~and materials,~~ at retail a tax is imposed upon all retailers at the rate of 5% of the sales
24 price from the sale, license, lease or rental of tangible personal property, ~~including~~

1 ~~accessories, components, attachments, parts, supplies and materials, sold, licensed,~~
2 leased or rented at retail in this state, as determined under s. 77.522.

3 **SECTION 1836j.** 77.52 (1) (b) of the statutes, as created by 2009 Wisconsin Act
4 2, is amended to read:

5 77.52 (1) (b) For the privilege of selling, licensing, leasing, or renting at retail
6 coins and stamps of the United States that are sold, licensed, leased, rented, or
7 traded as collectors' items above their face value, a tax is imposed on all retailers at
8 the rate of 5 percent of the sales price from the sale, license, lease, or rental of such
9 coins and stamps.

10 **SECTION 1837.** 77.52 (2) (a) 2. a. of the statutes is amended to read:

11 77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions
12 to amusement, athletic, entertainment or recreational events or places except county
13 fairs, the sale, rental or use of regular bingo cards, extra regular cards, special bingo
14 cards and the sale of bingo supplies to players and the furnishing, for dues, fees or
15 other considerations, the privilege of access to clubs or the privilege of having access
16 to or the use of amusement, entertainment, athletic or recreational devices or
17 facilities, including the sale or furnishing of use of recreational facilities on a periodic
18 basis or other recreational rights, including but not limited to membership rights,
19 vacation services and club memberships.

20 **SECTION 1838.** 77.52 (2) (a) 2. c. of the statutes is created to read:

21 77.52 (2) (a) 2. c. Taxable sales do not include the sale of admissions by a
22 nonprofit organization to participate in any sports activity in which more than 50
23 percent of the participants are 19 years old or younger.

24 **SECTION 1839.** 77.52 (2) (a) 8m. of the statutes is created to read:

1 77.52 (2) (a) 8m. The towing and hauling of motor vehicles by a tow truck, as
2 defined in s. 340.01 (67n), unless at the time of towing or hauling a sale in this state
3 of the motor vehicle to the purchaser would be exempt from the taxes imposed under
4 this subchapter, not including the exempt sale of a motor vehicle to a nonresident
5 under s. 77.54 (5) (a) and nontaxable sales described under s. 77.51 (14r).

6 **SECTION 1839b.** 77.52 (2) (a) 8m. of the statutes, as created by 2009 Wisconsin
7 Act (this act), is repealed and recreated to read:

8 77.52 (2) (a) 8m. The towing and hauling of motor vehicles by a tow truck, as
9 defined in s. 340.01 (67n), unless at the time of towing or hauling a sale sourced to
10 this state under s. 77.522 of the motor vehicle to the purchaser would be exempt from
11 the taxes imposed under this subchapter, not including the exempt sale of a motor
12 vehicle to a nonresident under s. 77.54 (5) (a) and nontaxable sales described under
13 s. 77.585 (8).

14 **SECTION 1839d.** 77.52 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin
15 Act 2, is amended to read:

16 77.52 (2) (a) 10. Except for services provided by veterinarians and except for
17 installing or applying tangible personal property, or items or goods under sub. (1) (b)
18 or (d), that, subject to par. (ag), when installed or applied, will constitute an addition
19 or capital improvement of real property, the repair, service, alteration, fitting,
20 cleaning, painting, coating, towing, inspection, and maintenance of all items of
21 tangible personal property or items, property, or goods under s. ~~77.52~~ sub. (1) (b), (c),
22 or (d), unless, at the time of that repair, service, alteration, fitting, cleaning, painting,
23 coating, towing, inspection, or maintenance, a sale in this state of the type of
24 property, item, or good repaired, serviced, altered, fitted, cleaned, painted, coated,
25 towed, inspected, or maintained would have been exempt to the customer from sales

1 taxation under this subchapter, other than the exempt sale of a motor vehicle or truck
2 body to a nonresident under s. 77.54 (5) (a) and other than nontaxable sales under
3 s. 77.522 or unless the repair, service, alteration, fitting, cleaning, painting, coating,
4 towing, inspection, or maintenance is provided under a contract that is subject to tax
5 under subd. 13m. The tax imposed under this subsection applies to the repair,
6 service, alteration, fitting, cleaning, painting, coating, towing, inspection, or
7 maintenance of items listed in par. (ag), regardless of whether the installation or
8 application of tangible personal property or items, property, or goods under s. 77.52
9 sub. (1) (b), (c), or (d) related to the items is an addition to or a capital improvement
10 of real property, except that the tax imposed under this subsection does not apply to
11 the original installation or the complete replacement of an item listed in par. (ag), if
12 that installation or replacement is a real property construction activity under s.
13 77.51 (2).

14 **SECTION 1840d.** 77.52 (12) of the statutes, as affected by 2009 Wisconsin Act
15 2, is amended to read:

16 77.52 (12) A person who operates as a seller in this state without a permit or
17 after a permit has been suspended or revoked or has expired, unless the person has
18 a temporary permit under sub. (11), and each officer of any corporation, partnership
19 member, limited liability company member, or other person authorized to act on
20 behalf of a seller who so operates, is guilty of a misdemeanor. Permits Except for a
21 person who is registered in accordance with the agreement, as defined in s. 77.65 (2)
22 (a), permits shall be held only by persons actively operating as sellers of tangible
23 personal property, or items, property, or goods under sub. (1) (b), (c), or (d), or taxable
24 services. Any person not so operating shall forthwith surrender that person's permit
25 to the department for cancellation. The department may revoke the permit of a

1 person found not to be actively operating as a seller of tangible personal property, or
2 items, property, or goods under sub. (1) (b), (c), or (d), or taxable services.

3 **SECTION 1840dm.** 77.522 (1) (b) (intro.) of the statutes, as created by 2009
4 Wisconsin Act 2, is amended to read:

5 77.522 (1) (b) (intro.) Except as provided in par. (c) and subs. (2), (3), (4), and
6 (5), the location of a sale is determined as follows:

7 **SECTION 1840e.** 77.522 (1) (b) 5. b. of the statutes, as created by 2009 Wisconsin
8 Act 2, is amended to read:

9 77.522 (1) (b) 5. b. If the item sold is a digital good or computer software
10 delivered electronically, the sale is sourced to the location from which the digital good
11 or computer software was first available for transmission by the seller, not including
12 any location that merely provided the digital transfer of the product sold.

13 **SECTION 1840f.** 77.522 (2) of the statutes, as created by 2009 Wisconsin Act 2,
14 is repealed.

15 **SECTION 1840fd.** 77.522 (3) (a) of the statutes, as created by 2009 Wisconsin
16 Act Wisconsin Act 2, is amended to read:

17 77.522 (3) (a) Except as provided in pars. (b) and (c), with regard to the first
18 or only payment on the lease or rental, the lease or rental of tangible personal
19 property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) is sourced to the
20 location determined under sub. (1) (b). ~~If the property, item, or good is moved from~~
21 ~~the place where the property, item, or good was initially delivered, the subsequent~~
22 Subsequent periodic payments on the lease or rental are sourced to the property's,
23 item's, or good's primary location as indicated by an address for the property, item,
24 or good that is provided by the lessee and that is available to the lessor in records that
25 the lessor maintains in the ordinary course of the lessor's business, if the use of such

1 an address does not constitute bad faith. The location of a lease or rental as
2 determined under this paragraph shall not be altered by any intermittent use of the
3 property, item, or good at different locations.

4 **SECTION 1840g.** 77.522 (3) (d) of the statutes, as created by 2009 Wisconsin Act
5 2, is amended to read:

6 77.522 (3) (d) A license of tangible personal property or items ~~or, property, or~~
7 goods under s. 77.52 (1) (b) ~~or, (c), or (d)~~ shall be treated as a lease or rental of such
8 tangible personal property, items, property, or goods under this subsection.

9 **SECTION 1840h.** 77.53 (1) of the statutes, as affected by 2009 Wisconsin Act 2,
10 is amended to read:

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

1 **SECTION 1841.** 77.53 (16m) of the statutes is created to read:

2 **77.53 (16m)** If the purchase, rental, or lease of tangible personal property or
3 service subject to the tax imposed by this section occurred on tribal lands and, prior
4 to imposing the tax under this subchapter, was subject to a sales tax by a federally
5 recognized American Indian tribe or band in this state, the amount of sales tax paid
6 to the tribe or band may, as determined by an agreement between the department
7 and the tribal council under s. 73.03 (65), be applied as a credit against and deducted
8 from the tax, to the extent thereof, imposed by this section. In this subsection “sales
9 tax” includes a use or excise tax imposed on the use of tangible personal property or
10 taxable service by the tribe or band.

11 **SECTION 1841b.** 77.53 (16m) of the statutes, as created by 2009 Wisconsin Act
12 (this act), is repealed and recreated to read:

13 **77.53 (16m)** If the purchase, rental, license, or lease of tangible personal
14 property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service subject
15 to the tax imposed by this section was sourced to tribal lands and, prior to imposing
16 the tax under this subchapter, was subject to a sales tax by a federally recognized
17 American Indian tribe or band in this state, the amount of sales tax paid to the tribe
18 or band may, as determined by an agreement between the department and the tribal
19 council under s. 73.03 (65), be applied as a credit against and deducted from the tax,
20 to the extent thereof, imposed by this section. In this subsection “sales tax” includes
21 a use or excise tax imposed on the use of tangible personal property, or items,
22 property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable service by the tribe or
23 band.

24 **SECTION 1841d.** 77.54 (1) of the statutes, as affected by 2009 Wisconsin Act 2,
25 is amended to read:

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

7 **SECTION 1842.** 77.54 (2) of the statutes is amended to read:

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

16 **SECTION 1842d.** 77.54 (2) of the statutes, as affected by 2009 Wisconsin Acts
17 2 and (this act), is repealed and recreated to read:

18 77.54 (2) The sales price from the sales of and the storage, use, or other
19 consumption of tangible personal property or item under s. 77.52 (1) (b) that is used
20 exclusively and directly by a manufacturer in manufacturing an article of tangible
21 personal property or item or property under s. 77.52 (1) (b) or (c) that is destined for
22 sale and that becomes an ingredient or component part of the article of tangible
23 personal property or item or property under s. 77.52 (1) (b) or (c) destined for sale or
24 is consumed or destroyed or loses its identity in manufacturing the article of tangible

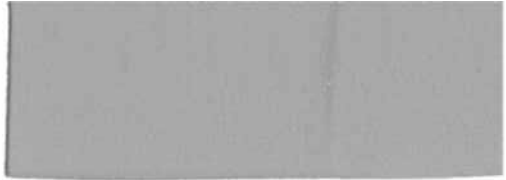
1 personal property or item or property under s. 77.52 (1) (b) or (c) destined for sale,
2 except as provided in sub. (30) (a) 6.

3 **SECTION 1843.** 77.54 (2m) of the statutes is amended to read:

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

14 **SECTION 1843c.** 77.54 (2m) of the statutes, as affected by 2009 Wisconsin Acts
15 2 and (this act), is repealed and recreated to read:

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



1 **SECTION 1843d.** 77.54 (3) (a) of the statutes, as affected by 2009 Wisconsin Act
2 is amended to read:

3 77.54 (3) (a) The sales price from the sales of and the storage, use, or other
4 consumption of tractors and machines, including accessories, attachments, and
5 parts, lubricants, nonpowered equipment, and other tangible personal property, or
6 items or property under s. 77.52 (1) (b) or (c), that are used exclusively and directly,
7 or are consumed or lose their identities, in the business of farming, including dairy
8 farming, agriculture, horticulture, floriculture, silviculture, and custom farming
9 services, but excluding automobiles, trucks, and other motor vehicles for highway
10 use; excluding personal property that is attached to, fastened to, connected to, or
11 built into real property or that becomes an addition to, component of, or capital
12 improvement of real property; and excluding tangible personal property, or items or
13 property under s. 77.52 (1) (b) or (c), used or consumed in the erection of buildings
14 or in the alteration, repair, or improvement of real property, regardless of any
15 contribution that that personal property, or item or property under s. 77.52 (1) (b) or
16 (c), makes to the production process in that building or real property and regardless
17 of the extent to which that personal property, or item or property under s. 77.52 (1)
18 (b) or (c), functions as a machine, except as provided in par. (c).

19 **SECTION 1843e.** 77.54 (4) of the statutes, as affected by 2009 Wisconsin Act 2,
20 is amended to read:

21 77.54 (4) The sales price from the sale of tangible personal property and items,
22 and property, and goods under s. 77.52 (1) (b), and (c), ~~and (d)~~ and the storage, use
23 or other consumption in this state of tangible personal property and items, and
24 property, and goods under s. 77.52 (1) (b), and (c), ~~and (d)~~, which is the subject of any

1 such sale, by any elementary school or secondary school, exempted as such from
2 payment of income or franchise tax under ch. 71, whether public or private.

3 **SECTION 1843f.** 77.54 (6) (a) of the statutes is amended to read:

4 77.54 (6) (a) Machines and specific processing equipment and repair parts or
5 replacements thereof, exclusively and directly used by a manufacturer in
6 manufacturing tangible personal property or items or property under s. 77.52 (1) (b)
7 or (c) and safety attachments for those machines and equipment.

8 **SECTION 1843g.** 77.54 (6) (b) of the statutes is amended to read:

9 77.54 (6) (b) Containers, labels, sacks, cans, boxes, drums, bags or other
10 packaging and shipping materials for use in packing, packaging or shipping tangible
11 personal property or items or property under s. 77.52 (1) (b) or (c), if such items the
12 containers, labels, sacks, cans, boxes, drums, bags, or other packaging and shipping
13 materials are used by the purchaser to transfer merchandise to customers and meat,

14 (bm) Meat casing, wrapping paper, tape, containers, labels, sacks, cans, boxes,
15 drums, bags or other packaging and shipping materials for use in packing, packaging
16 or shipping meat or meat products regardless of whether such items are used to
17 transfer merchandise to customers.

18 **SECTION 1844.** 77.54 (6m) (intro.) of the statutes is renumbered 77.51 (7h) (a)
19 (intro.) and amended to read:

20 77.51 (7h) (a) (intro.) ~~For purposes of sub. (6) (a) “manufacturing” is~~
21 “Manufacturing” means the production by machinery of a new article of tangible
22 personal property with a different form, use, and name from existing materials, by
23 a process popularly regarded as manufacturing, and that begins with conveying raw
24 materials and supplies from plant inventory to the place where work is performed
25 in the same plant and ends with conveying finished units of tangible personal

1 property to the point of first storage in the same plant. "Manufacturing" includes ~~but~~
2 is not limited to:

3 **SECTION 1845.** 77.54 (6m) (a) of the statutes is renumbered 77.51 (7h) (a) 1.

4 **SECTION 1846.** 77.54 (6m) (b) of the statutes is renumbered 77.51 (7h) (a) 2. and
5 amended to read:

6 77.51 (7h) (a) 2. Ore dressing, including the mechanical preparation, by
7 crushing and other processes, and the concentration, by flotation and other
8 processes, of ore, and beneficiation, including ~~but not limited to~~ the preparation of
9 ore for smelting.

10 **SECTION 1846d.** 77.54 (7) (a) of the statutes is amended to read:

11 77.54 (7) (a) Except as provided in pars. (b) to (d), the occasional sales of
12 tangible personal property, items and property under s. 77.52 (1) (b) and (c), and
13 services and the storage, use or other consumption in this state of tangible personal
14 property and items and property under s. 77.52 (1) (b) and (c) the transfer of which
15 to the purchaser is an occasional sale.

16 **SECTION 1846e.** 77.54 (7m) of the statutes, as affected by 2009 Wisconsin Act
17 2, is amended to read:

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

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

9 **SECTION 1846f.** 77.54 (9a) (intro.) of the statutes, as affected by 2009 Wisconsin
10 Act 2, is amended to read:

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

14 **SECTION 1847.** 77.54 (9a) (a) of the statutes is amended to read:

15 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
16 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health
17 Insurance Risk-Sharing Plan Authority, the Wisconsin Quality Home Care
18 Authority, and the Fox River Navigational System Authority.

19 **SECTION 1848.** 77.54 (9a) (ed) of the statutes is created to read:

20 77.54 (9a) (ed) Any federally recognized American Indian tribe or band in this
21 state.

22 **SECTION 1849.** 77.54 (9a) (er) of the statutes is created to read:

23 77.54 (9a) (er) Any transit authority created under s. 59.58 (7), 66.1038, or
24 66.1039.



1 **SECTION 1849b.** 77.54 (18) of the statutes, as affected by 2009 Wisconsin Act
2, is amended to read:

3 **77.54 (18)** When the sale, ~~license, lease, or rental~~ of a service or property,
4 including items, property, and goods under s. 77.52 (1) (b), (c), and (d), that was
5 previously exempt or not taxable under this subchapter becomes taxable, and the
6 service or property is furnished under a written contract by which the seller is
7 unconditionally obligated to provide the service or property for the amount fixed
8 under the contract, the seller is exempt from sales or use tax on the sales price for
9 services or property provided until the contract is terminated, extended, renewed or
10 modified. However, from the time the service or property becomes taxable until the
11 contract is terminated, extended, renewed or modified the user is subject to use tax,
12 measured by the purchase price, on the service or property purchased under the
13 contract.

14 **SECTION 1849c.** 77.54 (23m) of the statutes, as affected by 2009 Wisconsin Act
15 2, is amended to read:

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

21 **SECTION 1849d.** 77.54 (30) (a) 6. of the statutes is amended to read:

22 **77.54 (30) (a) 6.** Fuel and electricity consumed in manufacturing tangible
23 personal property, or items or property under s. 77.52 (1) (b) or (c), in this state.

24 **SECTION 1849m.** 77.54 (30) (a) 7. of the statutes is created to read:

1 77.54 (30) (a) 7. Fuel sold for use in motorboats that are regularly employed
2 in carrying persons for hire for sport fishing in and upon the outlying waters, as
3 defined in s. 29.001 (63), and the rivers and tributaries specified in s. 29.2285 (2) (a)
4 1. and 2., if the owner and all operators are licensed under s. 29.514 to operate the
5 boat for that purpose.

6 **SECTION 1849s.** 77.54 (35) of the statutes, as affected by 2009 Wisconsin Act
7 2, is amended to read:

8 77.54 (35) The sales price from the sales of tangible personal property, or items,
9 ~~or property, or goods~~ under s. 77.52 (1) (b), or (c), ~~or (d)~~, tickets, or admissions by any
10 baseball team affiliated with the Wisconsin Department of American Legion
11 baseball.

12 **SECTION 1849w.** 77.54 (37) of the statutes, as affected by 2009 Wisconsin Act
13 2, is amended to read:

14 77.54 (37) The sales price from revenues collected under s. ~~256.35 (3)~~ and the
15 surcharge established by rule by the public service commission under s. 256.35 (3m)
16 (f) for customers of wireless providers, as defined in s. 256.35 (3m) (a) 6.

17 **SECTION 1850b.** 77.54 (49) of the statutes, as affected by 2009 Wisconsin Act
18 2, is amended to read:

19 77.54 (49) The sales price from the sale of and the storage, use, or other
20 consumption of taxable services and tangible personal property or items, or property,
21 ~~or goods~~ under s. 77.52 (1) (b), or (c), ~~or (d)~~, that are physically transferred to the
22 purchaser as a necessary part of services that are subject to the taxes imposed under
23 s. 77.52 (2) (a) 7., 10., 11., and 20., if the seller and the purchaser of such services and
24 property, or item, ~~or good~~ are members of the same affiliated group under section
25 1504 of the Internal Revenue Code and are eligible to file a single consolidated return



1 for federal income tax purposes. For purposes of this subsection, if a seller purchases
 2 a taxable service, or item, or property, ~~or goods~~ under s. 77.52 (1) (b), or (c), ~~or (d)~~, or
 3 tangible personal property, as described in this subsection, that is subsequently sold
 4 to a member of the seller's affiliated group and the sale is exempt under this
 5 subsection from the taxes imposed under this subchapter, the original purchase of
 6 the taxable service, or item, or property, ~~or goods~~ under s. 77.52 (1) (b), or (c), ~~or (d)~~,
 7 or tangible personal property by the seller is not considered a sale for resale or
 8 exempt under this subsection.

9 **SECTION 1850d.** 77.54 (50) of the statutes, as created by 2009 Wisconsin Act
 10 2, is amended to read:

11 77.54 (50) The sales price from the sale, ~~license, lease, or rental~~ of and the
 12 storage, use, or other consumption of specified digital goods or additional digital
 13 goods, if the sale, ~~license, lease, or rental~~ of and the storage, use, or other
 14 consumption of such goods sold in a tangible form is exempt from, or not subject to,
 15 taxation under this subchapter.

16 **SECTION 1850e.** 77.54 (54) of the statutes, as affected by 2009 Wisconsin Act
 17 2, is amended to read:

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

23 **SECTION 1850eb.** 77.54 (55) of the statutes is created to read:

24 77.54 (55) The sales price from the police and fire protection fee imposed under
 25 s. 196.025 (6).

~~dec~~ SECTION 1850 ~~ec~~ 77.54 (55) of the statutes, as created by 2009 Wisconsin Act ... (this act), is repealed.

Remove this on 2nd run - do not add it with a CCC

1 **SECTION 1850ed.** 77.54 (56) of the statutes, as created by 2007 Wisconsin Act
2 20, is amended to read:

3 77.54 (56) (a) The Beginning July 1, 2011, the gross receipts from the sale of
4 and the storage, use, or other consumption of a product whose power source is wind
5 energy, direct radiant energy received from the sun, or gas generated from anaerobic
6 digestion of animal manure and other agricultural waste, if the product produces at
7 least 200 watts of alternating current or 600 British thermal units per day, except
8 that the exemption under this subsection does not apply to an uninterruptible power
9 source that is designed primarily for computers.

10 (b) Except for the sale of electricity or energy that is exempt from taxation
11 under sub. (30), beginning on July 1, 2011, the gross receipts from the sale of and the
12 storage, use, or other consumption of electricity or energy produced by a product
13 described under par. (a).

14 **SECTION 1850ef.** 77.54 (56) of the statutes, as affected by 2009 Wisconsin Acts
15 2 and (this act), is repealed and recreated to read:

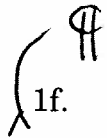
16 77.54 (56) (a) Beginning July 1, 2011, the sales price from the sale of and the
17 storage, use, or other consumption of a product whose power source is wind energy,
18 direct radiant energy received from the sun, or gas generated from anaerobic
19 digestion of animal manure and other agricultural waste, if the product produces at
20 least 200 watts of alternating current or 600 British thermal units per day, except
21 that the exemption under this subsection does not apply to an uninterruptible power
22 source that is designed primarily for computers.

23 (b) Except for the sale of electricity or energy that is exempt from taxation
24 under sub. (30), beginning on July 1, 2011, the sales price from the sale of and the

1 storage, use, or other consumption of electricity or energy produced by a product
2 described under par. (a).

3 **SECTION 1851.** 77.54 (57) of the statutes is created to read:

4 77.54 (57) (a) In this subsection:

5 1d. "Animals" include bacteria, viruses, and other microorganisms. 1f. 

6 "Biotechnology" means the application of biotechnologies, including recombinant
7 deoxyribonucleic acid techniques, biochemistry, molecular and cellular biology,
8 genetics, genetic engineering, biological cell fusion, and other bioprocesses, that use
9 living organisms or parts of an organism to produce or modify products to improve
10 plants or animals or improve animal health, develop microorganisms for specific
11 uses, identify targets for small molecule pharmaceutical development, or transform
12 biological systems into useful processes and products.

13 1m. "Biotechnology business" means a business, as certified by the department
14 in the manner prescribed by the department, that is primarily engaged in the
15 application of biotechnologies that use a living organism or parts of an organism to
16 produce or modify products to improve plants or animals, develop microorganisms
17 for specific uses, identify targets for small molecule pharmaceutical development, or
18 transform biological systems into useful processes and products.

19 2. "Machinery" has the meaning given in s. 70.11 (27) (a) 2.

20 4. "Primarily" means more than 50 percent.

21 5. "Qualified research" means qualified research as defined under section 41
22 (d) (1) of the Internal Revenue Code.

23 6. "Used exclusively" has the meaning given in sub. (3) (b) 3.

24 (b) The sales price from the sale of and the storage, use, or other consumption
25 of all of the following:

1 1. Machinery and equipment, including attachments, parts, and accessories,
2 that are sold to persons who are engaged primarily in manufacturing or
3 biotechnology in this state and are used exclusively and directly in qualified
4 research.

5 2. Tangible personal property or item or property under s. 77.52 (1) (b) or (c)
6 that is sold to persons who are engaged primarily in manufacturing or biotechnology
7 in this state, if the tangible personal property or item or property under s. 77.52 (1)
8 (b) or (c) is consumed or destroyed or loses its identity while being used exclusively
9 and directly in qualified research.

10 3. Machines and specific processing equipment, including accessories,
11 attachments, and parts for the machines or equipment, that are used exclusively and
12 directly in raising animals that are sold primarily to a biotechnology business, a
13 public or private institution of higher education, or a governmental unit for exclusive
14 and direct use by any such entity in qualified research or manufacturing.

15 4. The items listed in sub. (3m) (a) to (m), medicines, semen for artificial
16 insemination, fuel, and electricity that are used exclusively and directly in raising
17 animals that are sold primarily to a biotechnology business, a public or private
18 institution of higher education, or a governmental unit for exclusive and direct use
19 by any such entity in qualified research or manufacturing.

20 **SECTION 1851e.** 77.55 (1) (intro.) of the statutes, as affected by 2009 Wisconsin
21 Act 2, is amended to read:

22 77.55 (1) (intro.) There is exempted from the computation of the amount of the
23 sales tax the sales price from the sale of any tangible personal property, or items, or
24 property, ~~or goods~~ under s. 77.52 (1) (b), or (c), ~~and (d)~~, or services to:

1 **SECTION 1851f.** 77.55 (2) of the statutes, as affected by 2009 Wisconsin Act 2,
2 is amended to read:

3 **77.55 (2)** There is exempted from the computation of the amount of the sales
4 tax the sales price from sales of tangible personal property, and items, and property,
5 ~~and goods~~ under s. 77.52 (1) (b), and (c), ~~and (d)~~, to a common or contract carrier,
6 shipped by the seller via the purchasing carrier under a bill of lading whether the
7 freight is paid in advance, or the shipment is made freight charges collect, to a point
8 outside this state and the property, or item, ~~or good~~ is actually transported to the
9 out-of-state destination for use by the carrier in the conduct of its business as a
10 carrier.

11 **SECTION 1851g.** 77.55 (3) of the statutes, as affected by 2009 Wisconsin Act 2,
12 is amended to read:

13 **77.55 (3)** There is exempted from the computation of the amount of the sales
14 tax the sales price from sales of tangible personal property, and items, and property,
15 ~~and goods~~ under s. 77.52 (1) (b), and (c), ~~and (d)~~, purchased for use solely outside this
16 state and delivered to a forwarding agent, export packer, or other person engaged in
17 the business of preparing goods for export or arranging for their exportation, and
18 actually delivered to a port outside the continental limits of the United States prior
19 to making any use thereof.

20 **SECTION 1851h.** 77.56 (1) of the statutes, as affected by 2009 Wisconsin Act 2,
21 is amended to read:

22 **77.56 (1)** The storage, use or other consumption in this state of tangible
23 personal property, ~~including~~ and items, property, and goods under s. 77.52 (1) (b), (c),
24 and (d), the sales price from the sale of which is reported to the department in the
25 measure of the sales tax, is exempted from the use tax.

1 **SECTION 1852.** 77.58 (3) (a) of the statutes is amended to read:

2 77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller.
3 For purposes of the use tax a return shall be filed by every retailer engaged in
4 business in this state and by every person purchasing tangible personal property or
5 services, the storage, use or other consumption of which is subject to the use tax, who
6 has not paid the use tax due to a retailer required to collect the tax. If a qualified
7 subchapter S subsidiary is not regarded as a separate entity under ch. 71, the owner
8 of that subsidiary shall elect to either include the information for that subsidiary on
9 the owner's return. ~~Returns shall be signed by the person required to file the return~~
10 ~~or by a duly authorized agent but need not be verified by oath or file a separate~~
11 ~~electronic return for that entity.~~ If a single-owner entity is disregarded as a separate
12 entity under ch. 71, the owner shall elect to either include the information from the
13 entity on the owner's return or file a separate electronic return for that entity. If an
14 owner that owns more than one entity that is disregarded as a separate entity under
15 ch. 71 elects to file a separate return for one of its disregarded entities, the owner
16 shall file separate returns for all of its disregarded entities. Returns filed under this
17 paragraph shall be signed by the person required to file the return or by a duly
18 authorized agent but need not be verified by oath.

19 **SECTION 1852b.** 77.58 (3) (a) of the statutes, as affected by 2009 Wisconsin Acts
20 2 and (this act), is repealed and recreated to read:

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

1 due to a retailer required to collect the tax. If a qualified subchapter S subsidiary
2 is not regarded as a separate entity under ch. 71, the owner of that subsidiary shall
3 elect to either include the information for that subsidiary on the owner's return or
4 file a separate electronic return for that entity. If a single-owner entity is
5 disregarded as a separate entity under ch. 71, the owner shall elect to either include
6 the information from the entity on the owner's return or file a separate electronic
7 return for that entity. If an owner that owns more than one entity that is disregarded
8 as a separate entity under ch. 71 elects to file a separate return for one of its
9 disregarded entities, the owner shall file separate returns for all of its disregarded
10 entities. Returns filed under this paragraph shall be signed by the person required
11 to file the return or by a duly authorized agent but need not be verified by oath.

12 **SECTION 1852d.** 77.58 (6) of the statutes, as affected by 2009 Wisconsin Act 2,
13 is amended to read:

14 77.58 (6) For the purposes of the sales tax, the sales price from rentals, licenses,
15 or leases of tangible personal property or items, property, or goods under s. 77.52 (1)
16 (b), (c), or (d) shall be reported and the tax paid in accordance with such rules as the
17 department prescribes.

18 **SECTION 1852f.** 77.585 (8) of the statutes, as created by 2009 Wisconsin Act 2,
19 is repealed and recreated to read:

20 77.585 (8) (a) A sale or purchase involving transfer of ownership of tangible
21 personal property, or items or property under s. 77.52 (1) (b) or (c), is completed at
22 the time when possession is transferred by the seller or the seller's agent to the
23 purchaser or the purchaser's agent, except that for purposes of sub. (1) a common
24 carrier or the U.S. postal service shall be considered the agent of the seller, regardless
25 of any f.o.b. point and regardless of the method by which freight or postage is paid.

1 (b) 1. Except as provided in subd. 2., a sale or purchase involving a digital good
2 under s. 77.52 (1) (d) is completed at the time when possession is transferred by the
3 seller or the seller's agent to the purchaser or the purchaser's agent or when the
4 digital good is first used, whichever comes first.

5 2. A sale or purchase of a product transferred electronically, including a digital
6 good under s. 77.52 (1) (d), that is sold by subscription, is completed at the time when
7 the payment for the subscription is due to the seller. For purposes of this subdivision,
8 "subscription" means an agreement with a seller that grants the consumer the right
9 to obtain products transferred electronically from within one or more product
10 categories having the same tax treatment, in a fixed quantity or for a fixed period of
11 time, or both.

12 **SECTION 1852g.** 77.59 (9n) (c) of the statutes, as created by 2009 Wisconsin Act
13 2, is amended to read:

14 77.59 (9n) (c) ~~A~~ Except as otherwise provided in this paragraph, a purchaser
15 is not liable for the tax, interest, or penalties imposed on a transaction under this
16 subchapter if the seller or certified service provider from whom the purchaser made
17 the purchase relied on erroneous data provided in the databases under s. 73.03 (61)
18 (e) and (f) or if the purchaser relied on erroneous data provided in the databases
19 under s. 73.03 (61) (e) and (f). With respect to reliance on the database provided
20 under s. 73.03 (61) (e), the relief provided under this paragraph is limited to the
21 erroneous classification in the database of terms defined in this subchapter and
22 specifically identified in the database as being "taxable," "exempt," "included in sales
23 price" or "excluded from sales price," or "included in the definition" or "excluded from
24 the definition." With respect to reliance on the database provided under s. 73.03 (61)

1 (f), the relief provided under this paragraph does not apply to transactions by which
2 the product is received by the purchaser at the business location of the seller.

3 **SECTION 1852m.** 77.61 (4) (c) of the statutes, as affected by 2009 Wisconsin Act
4 2, is amended to read:

5 77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax
6 imposed on the retailer under s. 77.53 (3) and the accounting connected with it,
7 retailers, not including certified service providers that receive compensation under
8 s. 73.03 (61) (h), may deduct 0.5 percent of those taxes payable or \$10 for that
9 reporting period required under s. 77.58 (1) and not more than \$1,000 for that
10 reporting period, whichever is greater, but not more than the amount of the sales
11 taxes or use taxes that is payable under ss. 77.52 and 77.53 (3) for that reporting
12 period required under s. 77.58 (1), as administration expenses if the payment of the
13 taxes is not delinquent. For purposes of calculating the retailer's discount under this
14 paragraph, the taxes on retail sales reported by retailers under subch. V, including
15 taxes collected and remitted as required under s. 77.785, shall be included if the
16 payment of those taxes is not delinquent.

17 **SECTION 1853d.** 77.61 (11) of the statutes, as affected by 2009 Wisconsin Act
18 2, is repealed and recreated to read:

19 77.61 (11) Any city, village or town clerk or other official whose duty it is to issue
20 licenses or permits to engage in a business involving the sale at retail of tangible
21 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) subject
22 to tax under this subchapter, or the furnishing of services so subject to tax, shall,
23 before issuing such license or permit, require proof that the person to whom such
24 license or permit is to be issued is the holder of a seller's permit or use tax registration
25 certificate, is registered to collect, report, and remit use tax under this subchapter,

1 or has been informed by an employee of the department that the department will
2 issue a seller's permit or use tax registration certificate to that person or register that
3 person to collect, report, and remit use tax.

4 **SECTION 1854.** 77.61 (19) of the statutes is created to read:

5 77.61 (19) A person who fails to produce records or documents, as provided
6 under s. 73.03 (9) or 77.59 (2), that support amounts or other information required
7 to be shown on a return required under s. 77.58 may be subject to any of the following
8 penalties, as determined by the department, except that the department may not
9 impose a penalty under this subsection if the person shows that under all facts and
10 circumstances the person's response, or failure to respond, to the department's
11 request was reasonable or justified by factors beyond the person's control:

12 (a) The disallowance of deductions, credits, exemptions, or inclusions of
13 additional taxable sales or additional taxable purchases to which the requested
14 records relate.

15 (b) A penalty for each violation of this subsection that is equal to the greater
16 of \$500 or 25 percent of the amount of the additional tax on any adjustment made
17 by the department that results from the person's failure to produce the records.

18 (c) The department shall promulgate rules to administer this subsection and
19 the rules shall include a standard response time, a standard for noncompliance, and
20 penalty waiver provisions.

21 **SECTION 1855.** 77.61 (19m) of the statutes is created to read:

22 77.61 (19m) (a) A single-owner entity that is disregarded as a separate entity
23 under ch. 71 is disregarded as a separate entity for purposes of this subchapter.

24 (b) A single-owner entity that is disregarded as a separate entity under ch. 71
25 on the effective date of this paragraph [LRB inserts date], shall be treated under

1 this subchapter as an entity separate from its owner for purposes of the sale, license,
2 lease, or rental of and the storage, use, or other consumption of tangible personal
3 property purchased by the single-owner entity or its owner prior to the effective date
4 of this paragraph [LRB inserts date].

5 (c) A single-owner entity that is disregarded as a separate entity under ch. 71
6 on the effective date of this paragraph [LRB inserts date], shall be treated under
7 this subchapter as an entity separate from its owner for purchases of building
8 materials, if the materials are affixed and made a structural part of real estate, and
9 the amount payable to the contractor is fixed without regard to the costs incurred in
10 performing a written contract that was irrevocably entered into prior to the effective
11 date of this paragraph [LRB inserts date], or that resulted from the acceptance
12 of a formal written bid accompanied by a bond or other performance guaranty that
13 was irrevocably submitted before the effective date of this paragraph [LRB inserts
14 date].

15 **SECTION 1855b.** 77.61 (19m) (b) of the statutes, as created by 2009 Wisconsin
16 Act (this act), is repealed and recreated to read:

17 77.61 (19m) (b) A single-owner entity that is disregarded as a separate entity
18 under ch. 71 on the effective date of the 2009-11 biennial budget act [LRB inserts
19 date], shall be treated under this subchapter as an entity separate from its owner for
20 purposes of the sale, license, lease, or rental of and the storage, use, or other
21 consumption of tangible personal property or items, property, or goods under s. 77.52
22 (1) (b), (c), or (d) purchased by the single-owner entity or its owner prior to the
23 effective date of the 2009-11 biennial budget act [LRB inserts date].

24 **SECTION 1855d.** 77.61 (20) of the statutes is created to read:

1 77.61 (20) The sale, license, lease, or rental of a product may be taxed only once
2 under this subchapter regardless of whether such sale, license, lease, or rental is
3 subject to taxation under more than one imposition provision under this subchapter.

4 SECTION 1856. Subchapter V (title) of chapter 77 [precedes 77.70] of the
5 statutes is amended to read:

6 CHAPTER 77

7 SUBCHAPTER V

8 COUNTY, TRANSIT

9 AUTHORITY, AND SPECIAL DISTRICT

10 SALES AND USE TAXES

11 SECTION 1856^{es} 77.70 (4) of the statutes is created to read:

12 77.70 (4) Burnett County may adopt an ordinance to increase the rate of the
13 tax imposed under sub. (1) from 0.5 percent to 1 percent, if the majority of the electors
14 of the county approve the increase at a referendum. The county may use the
15 additional revenue from the rate increase only to pay for an upgrade to radio towers
16 in order to satisfy federal communications commission requirements to update a
17 radio frequency with a narrow bandwidth no later than December 31, 2012. An
18 ordinance adopted under this subsection shall be effective on the first day of January,
19 the first day of April, the first day of July or the first day of October. A certified copy
20 of that ordinance shall be delivered to the secretary of revenue at least 120 days prior
21 to its effective date. The repeal of any such ordinance shall be effective on December
22 31. A certified copy of a repeal ordinance shall be delivered to the secretary of
23 revenue at least 120 days before the effective date of the repeal. The tax imposed
24 under this subsection may be in effect for no more than 3 years from the date on which
25 the ordinance imposing the tax takes effect.

more to p. 887

1 **SECTION 1856d.** 77.70 of the statutes is renumbered 77.70 (1) and amended to
2 read:

3 **77.70 (1)** Any county desiring to impose county sales and use taxes under this
4 subchapter may do so by the adoption of an ordinance, stating its purpose and
5 referring to this subchapter. The rate of the tax imposed under this subsection is 0.5
6 percent of the gross receipts or sales price. The county sales and use taxes may be
7 imposed only for the purpose of directly reducing the property tax levy and only in
8 their entirety as provided in this subchapter. That ordinance shall be effective on the
9 first day of January, the first day of April, the first day of July or the first day of
10 October. A certified copy of that ordinance shall be delivered to the secretary of
11 revenue at least 120 days prior to its effective date. The repeal of any such ordinance
12 shall be effective on December 31. A certified copy of a repeal ordinance shall be
13 delivered to the secretary of revenue at least 60 days before the effective date of the
14 repeal.

15 **SECTION 1856e.** 77.70 (1) of the statutes, as affected by Wisconsin Acts 2 and
16 (this act), is repealed and recreated to read:

17 **77.70 (1)** Any county desiring to impose county sales and use taxes under this
18 subchapter may do so by the adoption of an ordinance, stating its purpose and
19 referring to this subchapter. The rate of the tax imposed under this subsection is 0.5
20 percent of the sales price or purchase price. The county sales and use taxes may be
21 imposed only for the purpose of directly reducing the property tax levy and only in
22 their entirety as provided in this subchapter. That ordinance shall be effective on the
23 first day of January, the first day of April, the first day of July or the first day of
24 October. A certified copy of that ordinance shall be delivered to the secretary of
25 revenue at least 120 days prior to its effective date. The repeal of any such ordinance

1 shall be effective on December 31. A certified copy of a repeal ordinance shall be
2 delivered to the secretary of revenue at least 120 days before the effective date of the
3 repeal.

4 **SECTION 1856f.** 77.70 (2) of the statutes is created to read:

5 77.70 (2) In addition to the taxes imposed under subs. (1) and (3), if Milwaukee
6 County satisfies the conditions under s. 66.1038 (5) (b), Milwaukee County may
7 adopt an ordinance to impose a sales and use tax under this subchapter at the rate
8 of 0.5 percent of the gross receipts or sales price. The taxes may be imposed only in
9 their entirety. If Milwaukee County imposes the taxes under this subsection, it shall
10 not levy property taxes for transit purposes. If Milwaukee County imposes the taxes
11 under this subsection, it shall distribute the tax revenue to the Milwaukee Transit
12 Authority created under s. 66.1038. An ordinance adopted under this subsection
13 shall be effective on the first day of January, the first day of April, the first day of July
14 or the first day of October. A certified copy of that ordinance shall be delivered to the
15 secretary of revenue at least 120 days prior to its effective date. The repeal of any
16 such ordinance shall be effective on December 31. A certified copy of a repeal
17 ordinance shall be delivered to the secretary of revenue at least 120 days before the
18 effective date of the repeal.

19 **SECTION 1856g.** 77.70 (2) of the statutes, as created by 2009 Wisconsin Act
20 (this act), is repealed and recreated to read:

21 77.70 (2) In addition to the taxes imposed under subs. (1) and (3), if the
22 Milwaukee County satisfies the conditions under s. 66.1038 (5) (b), Milwaukee
23 County may adopt an ordinance to impose a sales and use tax under this subchapter
24 at the rate of 0.5 percent of the sales price or purchase price. The taxes may be
25 imposed only in their entirety. If Milwaukee County imposes the taxes under this

1 subsection, it shall not levy property taxes for transit purposes. If Milwaukee County
2 imposes the taxes under this subsection, it shall distribute the tax revenue to the
3 Milwaukee Transit Authority created under s. 66.1038. An ordinance adopted under
4 this subsection shall be effective on the first day of January, the first day of April, the
5 first day of July or the first day of October. A certified copy of that ordinance shall
6 be delivered to the secretary of revenue at least 120 days prior to its effective date.
7 The repeal of any such ordinance shall be effective on December 31. A certified copy
8 of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days
9 before the effective date of the repeal.

10 **SECTION 1856h.** 77.70 (3) of the statutes is created to read:

11 77.70 (3) If Milwaukee County imposes the tax under sub. (2), Milwaukee
12 County may adopt an ordinance to impose a sales and use tax under this subchapter
13 at the rate of 0.15 percent of the gross receipts or sales price. The taxes may be
14 imposed only in their entirety. Milwaukee County shall annually distribute the tax
15 revenue to the municipalities located in whole or in part in Milwaukee County, to be
16 used for police, fire, and emergency medical services, in proportion to the number of
17 sworn police officers and fire fighters employed by each municipality on July 1 of the
18 preceding calendar year. An ordinance adopted under this subsection shall be
19 effective on the first day of January, the first day of April, the first day of July or the
20 first day of October. A certified copy of that ordinance shall be delivered to the
21 secretary of revenue at least 120 days prior to its effective date. The repeal of any
22 such ordinance shall be effective on December 31. A certified copy of a repeal
23 ordinance shall be delivered to the secretary of revenue at least 120 days before the
24 effective date of the repeal.

1 **SECTION 1856i.** 77.70 (3) of the statutes, as created by 2009 Wisconsin Act
2 (this act), is repealed and recreated to read:

3 **77.70 (3)** If Milwaukee County imposes the tax under sub. (2), Milwaukee
4 County may adopt an ordinance to impose a sales and use tax under this subchapter
5 at the rate of 0.15 percent of the sales price or purchase price. The taxes may be
6 imposed only in their entirety. Milwaukee County shall annually distribute the tax
7 revenue to the municipalities located in whole or in part in Milwaukee County, to be
8 used for police, fire, and emergency medical services, in proportion to the number of
9 sworn police officers and fire fighters employed by each municipality on July 1 of the
10 preceding calendar year. An ordinance adopted under this subsection shall be
11 effective on the first day of January, the first day of April, the first day of July or the
12 first day of October. A certified copy of that ordinance shall be delivered to the
13 secretary of revenue at least 120 days prior to its effective date. The repeal of any
14 such ordinance shall be effective on December 31. A certified copy of a repeal
15 ordinance shall be delivered to the secretary of revenue at least 120 days before the
16 effective date of the repeal.

17 **SECTION 1857.** 77.705 of the statutes is amended to read:

18 **77.705 Adoption by resolution; baseball park district.** A local
19 professional baseball park district created under subch. III of ch. 229, by resolution
20 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at
21 a rate of no more than 0.1% of the gross receipts or sales price. Those taxes may be
22 imposed only in their entirety. The resolution shall be effective on the first day of the
23 first month that begins at least 30 days after the adoption of the resolution. Any
24 moneys transferred from the appropriation account under s. 20.566 (1) (gd) to the
25 appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the

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1 district's debt. Any moneys received under s. 341.14 (6r) (b) 13. b. and credited to the
2 appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the
3 district's debt.

4 **SECTION 1857d.** 77.705 of the statutes, as affected by 2009 Wisconsin Acts 2
5 and (this act), is repealed and recreated to read:

6 **77.705 Adoption by resolution; baseball park district.** A local
7 professional baseball park district created under subch. III of ch. 229, by resolution
8 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at
9 a rate of no more than 0.1% of the sales price or purchase price. Those taxes may be
10 imposed only in their entirety. The resolution shall be effective on the first January
11 1, April 1, July 1, or October 1 that begins at least 120 days after the adoption of the
12 resolution. Any moneys transferred from the appropriation account under s. 20.566
13 (1) (gd) to the appropriation account under s. 20.835 (4) (gb) shall be used exclusively
14 to retire the district's debt. Any moneys received under s. 341.14 (6r) (b) 13. b. and
15 credited to the appropriation account under s. 20.835 (4) (gb) shall be used
16 exclusively to retire the district's debt.

17 **SECTION 1858.** 77.708 of the statutes is created to read:

18 **77.708 Adoption by resolution; transit authority. (1)** A transit authority
19 created under s. 66.1039, by resolution under s. 66.1039 (4) (s), may impose a sales
20 tax and a use tax under this subchapter at a rate not to exceed 0.5 percent of the gross
21 receipts or sales price. Those taxes may be imposed only in their entirety. The
22 resolution shall be effective on the first day of the first calendar quarter that begins
23 at least 120 days after the adoption of the resolution.

24 **(2)** Retailers and the department of revenue may not collect a tax under sub.
25 (1) for any transit authority created under s. 66.1039 after the calendar quarter

1 during which the transit authority adopts a repeal resolution under s. 66.1039 (4) (s),
2 except that the department of revenue may collect from retailers taxes that accrued
3 before such calendar quarter and fees, interest, and penalties that relate to those
4 taxes.

5 **SECTION 1858b.** 77.708 (1) of the statutes, as created by 2009 Wisconsin Act
6 (this act), is repealed and recreated to read:

7 77.708 (1) A transit authority created under s. 66.1039, by resolution under s.
8 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate
9 not to exceed 0.5 percent of the sales price or purchase price. Those taxes may be
10 imposed only in their entirety. The resolution shall be effective on the first day of the
11 first calendar quarter that begins at least 120 days after the adoption of the
12 resolution.

13 **SECTION 1859.** 77.71 (intro.) of the statutes is amended to read:

14 **77.71 Imposition of county, transit authority, and special district sales**
15 **and use taxes.** (intro.) Whenever a county sales and use tax ordinance is adopted
16 under s. 77.70, a transit authority resolution is adopted under s. 77.708, or a special
17 district resolution is adopted under s. 77.705 or 77.706, the following taxes are
18 imposed:

19 **SECTION 1860.** 77.71 (1) of the statutes is amended to read:

20 77.71 (1) For the privilege of selling, leasing, or renting tangible personal
21 property and for the privilege of selling, performing, or furnishing services a sales
22 tax is imposed upon retailers at the ~~rate of 0.5%~~ rates under s. 77.70 in the case of
23 a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at
24 the rate under s. 77.705 or 77.706 in the case of a special district tax of the gross
25 receipts from the sale, lease, or rental of tangible personal property, except property

1 taxed under sub. (4), sold, leased, or rented at retail in the county ~~or~~, special district,
2 or transit authority's jurisdictional area, or from selling, performing, or furnishing
3 services described under s. 77.52 (2) in the county ~~or~~, special district, or transit
4 authority's jurisdictional area.

5 **SECTION 1860d.** 77.71 (1) of the statutes, as affected by 2009 Wisconsin Acts
6 2 and (this act), is repealed and recreated to read:

7 77.71 (1) For the privilege of selling, licensing, leasing, or renting tangible
8 personal property and the items, property, and goods specified under s. 77.52 (1) (b),
9 (c), and (d), and for the privilege of selling, licensing, performing, or furnishing
10 services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case
11 of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or
12 at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
13 price from the sale, license, lease, or rental of tangible personal property and the
14 items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property
15 taxed under sub. (4), sold, licensed, leased, or rented at retail in the county, special
16 district, or transit authority's jurisdictional area, or from selling, licensing,
17 performing, or furnishing services described under s. 77.52 (2) in the county, special
18 district, or transit authority's jurisdictional area.

19 **SECTION 1861.** 77.71 (2) of the statutes is amended to read:

20 77.71 (2) An excise tax is imposed at the ~~rate of 0.5%~~ rates under s. 77.70 in
21 the case of a county tax, at the rate under s. 77.708 in the case of a transit authority
22 tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the
23 sales price upon every person storing, using, or otherwise consuming in the county
24 ~~or~~, special district, or transit authority's jurisdictional area tangible personal
25 property or services if the property or service is subject to the state use tax under s.

1 77.53, except that a receipt indicating that the tax under sub. (1), (3), or (4) has been
2 paid relieves the buyer of liability for the tax under this subsection and except that
3 if the buyer has paid a similar local tax in another state on a purchase of the same
4 property or services that tax shall be credited against the tax under this subsection
5 and except that for motor vehicles that are used for a purpose in addition to retention,
6 demonstration, or display while held for sale in the regular course of business by a
7 dealer the tax under this subsection is imposed not on the sales price but on the
8 amount under s. 77.53 (1m).

9 **SECTION 1861d.** 77.71 (2) of the statutes, as affected by 2009 Wisconsin Acts
10 2 and (this act), is repealed and recreated to read:

11 77.71 (2) An excise tax is imposed at the rates under s. 77.70 in the case of a
12 county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the
13 rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price
14 upon every person storing, using, or otherwise consuming in the county, special
15 district, or transit authority's jurisdictional area tangible personal property, or
16 items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the
17 tangible personal property, item, property, good, or service is subject to the state use
18 tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3),
19 or (4) has been paid relieves the buyer of liability for the tax under this subsection
20 and except that if the buyer has paid a similar local tax in another state on a purchase
21 of the same tangible personal property, item, property, good, or service that tax shall
22 be credited against the tax under this subsection and except that for motor vehicles
23 that are used for a purpose in addition to retention, demonstration, or display while
24 held for sale in the regular course of business by a dealer the tax under this

1 subsection is imposed not on the purchase price but on the amount under s. 77.53
2 (1m).

3 **SECTION 1862.** 77.71 (3) of the statutes is amended to read:

4 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
5 activities within the county ~~or, special district, or transit authority's jurisdictional~~
6 area, at the ~~rate of 0.5%~~ rates under s. 77.70 in the case of a county tax, at the rate
7 under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705
8 or 77.706 in the case of a special district tax of the sales price of tangible personal
9 property that is used in constructing, altering, repairing, or improving real property
10 and that becomes a component part of real property in that county or special district
11 or in the transit authority's jurisdictional area, except that if the contractor has paid
12 the sales tax of a county ~~in the case of a county tax, transit authority, or of a special~~
13 ~~district in the case of a special district tax~~ in this state on that property, or has paid
14 a similar local sales tax in another state on a purchase of the same property, that tax
15 shall be credited against the tax under this subsection.

16 **SECTION 1862d.** 77.71 (3) of the statutes, as affected by 2009 Wisconsin Acts
17 2 and (this act), is repealed and recreated to read:

18 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
19 activities within the county, special district, or transit authority's jurisdictional area,
20 at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 in
21 the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case
22 of a special district tax of the purchase price of tangible personal property or items,
23 property, or goods under s. 77.52 (1) (b), (c), or (d) that are used in constructing,
24 altering, repairing, or improving real property and that became a component part of
25 real property in that county or special district or in the transit authority's

1 be registered or titled with this state and if that property is to be customarily kept
2 in a county that has in effect an ordinance under s. 77.70, the jurisdictional area of
3 a transit authority that has in effect a resolution under s. 77.708, or in a special
4 district that has in effect a resolution under s. 77.705 or 77.706, except that if the
5 buyer has paid a similar local sales tax in another state on a purchase of the same
6 property that tax shall be credited against the tax under this subsection.

7 **SECTION 1864.** 77.73 (1) and (2) of the statutes are amended to read:

8 77.73 (1) Retailers making deliveries in their company-operated vehicles of
9 tangible personal property, or of property on which taxable services were performed,
10 to purchasers in a county ~~or, special district, or transit authority's jurisdictional area~~
11 are doing business in that county ~~or, special district, or jurisdictional area~~, and that
12 county ~~or, special district, or transit authority~~ has jurisdiction to impose the taxes
13 under this subchapter on them.

14 (2) Counties ~~and, special districts, and transit authorities~~ do not have
15 jurisdiction to impose the tax under s. 77.71 (2) in regard to tangible personal
16 property purchased in a sale that is consummated in another county or special
17 district in this state, ~~or in another transit authority's jurisdictional area~~, that does
18 not have in effect an ordinance or resolution imposing the taxes under this
19 subchapter and later brought by the buyer into the county ~~or, special district, or~~
20 ~~jurisdictional area of the transit authority~~ that has imposed a tax under s. 77.71 (2).

21 **SECTION 1864b.** 77.73 (1) of the statutes, as affected by 2009 Wisconsin Act
22 (this act), is repealed and recreated to read:

23 77.73 (1) Retailers making deliveries in their company-operated vehicles of
24 tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or
25 (d), or of tangible personal property or items, property, or goods under s. 77.52 (1) (b),

1 (c), or (d) on which taxable services were performed, to purchasers in a county, special
2 district, or transit authority's jurisdictional area are doing business in that county,
3 special district, or jurisdictional area, and that county, special district, or transit
4 authority has jurisdiction to impose the taxes under this subchapter on them.

5 **SECTION 1864d.** 77.73 (2) of the statutes, as affected by 2009 Wisconsin Acts
6 2 and (this act), is repealed and recreated to read:

7 77.73 (2) Counties, special districts, and transit authorities do not have
8 jurisdiction to impose the tax under s. 77.71 (2) in regard to items, property, and
9 goods under s. 77.52 (1) (b), (c), and (d), and tangible personal property, except
10 snowmobiles, trailers, semitrailers, and all-terrain vehicles, purchased in a sale
11 that is consummated in another county or special district in this state, or in another
12 transit authority's jurisdictional area, that does not have in effect an ordinance or
13 resolution imposing the taxes under this subchapter and later brought by the buyer
14 into the county, special district, or jurisdictional area of the transit authority that has
15 imposed a tax under s. 77.71 (2).

16 **SECTION 1864m.** 77.73 (3) of the statutes, as created by 2009 Wisconsin Act 2,
17 is amended to read:

18 77.73 (3) Counties ~~and~~, special districts, and transit authorities have
19 jurisdiction to impose the taxes under this subchapter on retailers who file, or who
20 are required to file, an application under s. 77.52 (7) or who register, or who are
21 required to register, under s. 77.53 (9) or (9m), regardless of whether such retailers
22 are engaged in business in the county ~~or~~, special district, or transit authority's
23 jurisdictional area, as provided in s. 77.51 (13g). A retailer who files, or is required
24 to file, an application under s. 77.52 (7) or who registers, or is required to register,
25 under s. 77.53 (9) or (9m) shall collect, report, and remit to the department the taxes



1 imposed under this subchapter for all counties ~~and~~, special districts, and transit
2 authorities that have an ordinance or resolution imposing the taxes under this
3 subchapter.

4 **SECTION 1865.** 77.75 of the statutes is amended to read:

5 **77.75 Reports.** Every person subject to county, transit authority, or special
6 district sales and use taxes shall, for each reporting period, record that person's sales
7 made in the county ~~or~~, special district, or jurisdictional area of a transit authority
8 that has imposed those taxes separately from sales made elsewhere in this state and
9 file a report of the measure of the county, transit authority, or special district sales
10 and use taxes and the tax due thereon separately.

11 **SECTION 1865d.** 77.75 of the statutes, as affected by 2009 Wisconsin Acts 2 and
12 (this act), is repealed and recreated to read:

13 **77.75 Reports.** Every person subject to county, transit authority, or special
14 district sales and use taxes shall, for each reporting period, record that person's sales
15 made in the county, special district, or jurisdictional area of a transit authority that
16 has imposed those taxes separately from sales made elsewhere in this state and file
17 a report as prescribed by the department of revenue.

18 **SECTION 1866.** 77.76 (1) of the statutes is amended to read:

19 77.76 (1) The department of revenue shall have full power to levy, enforce, and
20 collect county, transit authority, and special district sales and use taxes and may take
21 any action, conduct any proceeding, impose interest and penalties, and in all respects
22 proceed as it is authorized to proceed for the taxes imposed by subch. III. The
23 department of transportation and the department of natural resources may
24 administer the county, transit authority, and special district sales and use taxes in
25 regard to items under s. 77.61 (1).

1 **SECTION 1867.** 77.76 (2) of the statutes is amended to read:

2 77.76 (2) Judicial and administrative review of departmental determinations
3 shall be as provided in subch. III for state sales and use taxes, and no county, transit
4 authority, or special district may intervene in any matter related to the levy,
5 enforcement, and collection of the taxes under this subchapter.

6 **SECTION 1868.** 77.76 (3r) of the statutes is created to read:

7 77.76 (3r) From the appropriation under s. 20.835 (4) (gc) the department of
8 revenue shall distribute 98.5 percent of the taxes reported for each transit authority
9 that has imposed taxes under this subchapter, minus the transit authority portion
10 of the retailers' discount, to the transit authority no later than the end of the 3rd
11 month following the end of the calendar quarter in which such amounts were
12 reported. At the time of distribution the department of revenue shall indicate the
13 taxes reported by each taxpayer. In this subsection, the "transit authority portion
14 of the retailers' discount" is the amount determined by multiplying the total
15 retailers' discount by a fraction the numerator of which is the gross transit authority
16 sales and use taxes payable and the denominator of which is the sum of the gross
17 state and transit authority sales and use taxes payable. The transit authority taxes
18 distributed shall be increased or decreased to reflect subsequent refunds, audit
19 adjustments, and all other adjustments of the transit authority taxes previously
20 distributed. Interest paid on refunds of transit authority sales and use taxes shall
21 be paid from the appropriation under s. 20.835 (4) (gc) at the rate paid by this state
22 under s. 77.60 (1) (a). Any transit authority receiving a report under this subsection
23 is subject to the duties of confidentiality to which the department of revenue is
24 subject under s. 77.61 (5).

25 **SECTION 1869.** 77.76 (4) of the statutes is amended to read:

1 77.76 (4) There shall be retained by the state 1.5% of the taxes collected for
2 taxes imposed by special districts under ss. 77.705 and 77.706 and transit authorities
3 under s. 77.708 and 1.75% of the taxes collected for taxes imposed by counties under
4 s. 77.70 to cover costs incurred by the state in administering, enforcing, and
5 collecting the tax. All interest and penalties collected shall be deposited and retained
6 by this state in the general fund.

7 **SECTION 1870.** 77.76 (5) of the statutes is created to read:

8 77.76 (5) If a retailer receives notice from the department of revenue that the
9 retailer is required to collect and remit the taxes imposed under s. 77.708, but the
10 retailer believes that the retailer is not required to collect such taxes because the
11 retailer is not doing business within the transit authority's jurisdictional area, the
12 retailer shall notify the department of revenue no later than 30 days after receiving
13 notice from the department. The department of revenue shall affirm or revise its
14 original determination no later than 30 days after receiving the retailer's notice.

15 **SECTION 1871d.** 77.77 (1) (a) of the statutes, as affected by 2009 Wisconsin Act
16 2, is amended to read:

17 77.77 (1) (a) The sales price from services subject to the tax under s. 77.52 (2)
18 or the lease, rental, or license of tangible personal property and property, items, and
19 goods specified under s. 77.52 (1) (b), (c), and (d), is subject to the taxes under this
20 subchapter, and the incremental amount of tax caused by a rate increase applicable
21 to those services, leases, rentals, or licenses is due, beginning with the first billing
22 period starting on or after the effective date of the county ordinance, special district
23 resolution, transit authority resolution, or rate increase, regardless of whether the
24 service is furnished or the property, item, or good is leased, rented, or licensed to the
25 customer before or after that date.

1 **SECTION 1871e.** 77.77 (1) (b) of the statutes, as created by 2009 Wisconsin Act
2 2, is amended to read:

3 77.77 (1) (b) The sales price from services subject to the tax under s. 77.52 (2)
4 or the lease, rental, or license of tangible personal property and property, items, and
5 goods specified under s. 77.52 (1) (b), (c), and (d), is not subject to the taxes under this
6 subchapter, and a decrease in the tax rate imposed under this subchapter on those
7 services first applies, beginning with bills rendered on or after the effective date of
8 the repeal or sunset of a county ordinance ~~or~~, special district resolution, or transit
9 authority resolution imposing the tax or other rate decrease, regardless of whether
10 the service is furnished or the property, item, or good is leased, rented, or licensed
11 to the customer before or after that date.

12 **SECTION 1871f.** 77.77 (3) of the statutes is amended to read:

13 77.77 (3) The sale of building materials to contractors engaged in the business
14 of constructing, altering, repairing or improving real estate for others is not subject
15 to the taxes under this subchapter, and the incremental amount of tax caused by the
16 rate increase applicable to those materials is not due, if the materials are affixed and
17 made a structural part of real estate, and the amount payable to the contractor is
18 fixed without regard to the costs incurred in performing a written contract that was
19 irrevocably entered into prior to the effective date of the county ordinance, special
20 district resolution, transit authority resolution, or rate increase or that resulted from
21 the acceptance of a formal written bid accompanied by a bond or other performance
22 guaranty that was irrevocably submitted before that date.

23 **SECTION 1872.** 77.78 of the statutes is amended to read:

24 **77.78 Registration.** No motor vehicle, boat, snowmobile, recreational vehicle,
25 as defined in s. 340.01 (48r), trailer, semitrailer, all-terrain vehicle or aircraft that

1 is required to be registered by this state may be registered or titled by this state
2 unless the registrant files a sales and use tax report and pays the county tax, transit
3 authority tax, and special district tax at the time of registering or titling to the state
4 agency that registers or titles the property. That state agency shall transmit those
5 tax revenues to the department of revenue.

6 **SECTION 1872g.** 77.85 of the statutes is amended to read:

7 **77.85 State contribution.** The department shall pay before June 30 annually
8 the municipal treasurer, from the appropriation under s. 20.370 (5) (bv), 20 cents for
9 each acre of land in the municipality that is designated as managed forest land under
10 this subchapter and for each acre of land in the municipality that has been
11 withdrawn under s. 77.885 but for which payments under s. 77.84 (2) are being made.

12 **SECTION 1872r.** 77.885 of the statutes is created to read:

13 **77.885 Withdrawal of tribal lands.** Upon request of an Indian tribe, the
14 department shall order the withdrawal of all land that is owned in fee by that tribe
15 that is designated as managed forest land from the managed forest land program.
16 No withdrawal tax under s. 77.88 (5) or withdrawal fee under s. 77.88 (5m) may be
17 assessed against an Indian tribe for the withdrawal of such land if all of the following
18 apply:

19 (1) The Indian tribe provides the department, before the date of the withdrawal
20 order, with documentation that demonstrates that the tribe intends to transfer the
21 land to the United States to be held in trust for the tribe.

22 (2) The tribe and the department have in effect a written agreement under
23 which the tribe agrees that the land shall continue to be treated as managed forest
24 land for purposes of ss. 77.83, 77.84, 77.85, 77.86, 77.87, 77.875, 77.876, 77.89, 77.90,

1 77.905, and 77.91 until the date on which the managed forest land order would have
2 expired.

3 **SECTION 1873d.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 2,
4 is amended to read:

5 77.92 (4) "Net business income," with respect to a partnership, means taxable
6 income as calculated under section 703 of the Internal Revenue Code; plus the items
7 of income and gain under section 702 of the Internal Revenue Code, including taxable
8 state and municipal bond interest and excluding nontaxable interest income or
9 dividend income from federal government obligations; minus the items of loss and
10 deduction under section 702 of the Internal Revenue Code, except items that are not
11 deductible under s. 71.21; plus guaranteed payments to partners under section 707
12 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
13 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
14 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), ~~and (5k), and (8r)~~; and plus or minus, as
15 appropriate, transitional adjustments, depreciation differences, and basis
16 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
17 loss, and deductions from farming. "Net business income," with respect to a natural
18 person, estate, or trust, means profit from a trade or business for federal income tax
19 purposes and includes net income derived as an employee as defined in section 3121
20 (d) (3) of the Internal Revenue Code.

21 **SECTION 1874.** 77.994 (1) (intro.) of the statutes is amended to read:

22 77.994 (1) (intro.) Except as provided in ~~sub.~~ subs. (2) and (3), a municipality
23 or a county all of which is included in a premier resort area under s. 66.1113 may, by
24 ordinance, impose a tax at a rate of 0.5% of the gross receipts from the sale, lease,
25 or rental in the municipality or county of goods or services that are taxable under

1 subch. III made by businesses that are classified in the standard industrial
2 classification manual, 1987 edition, published by the U.S. office of management and
3 budget, under the following industry numbers:

4 **SECTION 1874b.** 77.994 (1) (intro.) of the statutes, as affected by 2009
5 Wisconsin Acts 2 and ... (this act), is repealed and recreated to read:

6 77.994 (1) (intro.) Except as provided in subs. (2) and (3), a municipality or a
7 county all of which is included in a premier resort area under s. 66.1113 may, by
8 ordinance, impose a tax at a rate of 0.5% of the sales price from the sale, license, lease,
9 or rental in the municipality or county of property, items, goods, or services that are
10 taxable under subch. III made by businesses that are classified in the standard
11 industrial classification manual, 1987 edition, published by the U.S. office of
12 management and budget, under the following industry numbers:

13 **SECTION 1887.** 77.994 (3) of the statutes is created to read:

14 77.994 (3) Any municipality that enacted an ordinance imposing the tax under
15 sub. (1) that became effective before January 1, 2000, may amend the ordinance to
16 increase the tax rate under this section to 1 percent. The amended ordinance is
17 effective on the dates provided under s. 77.9941 (1).

18 **SECTION 1887b.** 77.994 (4) of the statutes is created to read:

19 77.994 (4) (a) Except as provided in par. (b), no seller or certified service
20 provider, as defined in s. 77.51 (1g), is liable for the tax, interest, or penalties imposed
21 under this subchapter on a transaction in which the seller or certified service
22 provider charged and collected the incorrect amount of tax imposed under this
23 subchapter on the sale of a product that was shipped to the purchaser's location
24 within a premier resort area, until such time as a database identifying the addresses

1 subject to each premier resort area tax is available to all sellers and certified service
2 providers.

3 (b) The relief from liability described in par. (a) does not apply to transactions
4 which are sourced to the seller's place of business under s. 77.522 (1) (b) 1.

5 **SECTION 1888.** 77.9941 (1) of the statutes is amended to read:

6 77.9941 (1) The ordinance under s. 77.994 is effective on January 1, April 1,
7 July 1 or October 1. The municipality or county shall deliver a certified copy of that
8 ordinance, or an amended ordinance under s. 77.994 (3), to the secretary of revenue
9 at least 120 days before its effective date.

10 **SECTION 1889d.** 77.9951 (2) of the statutes, as affected by 2009 Wisconsin Act
11 2, is amended to read:

12 77.9951 (2) Sections 77.51 (3r), (12m), (14), (14g), (15a), and (15b), 77.52 (1b),
13 (3), (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60,
14 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
15 subch. III, apply to the fee under this subchapter. The renter shall collect the fee
16 under this subchapter from the person to whom the vehicle is rented.

17 **SECTION 1890m.** Subchapter XIII (title) of chapter 77 [precedes 77.9971] of the
18 statutes is amended to read:

19 **CHAPTER 77**

20 **SUBCHAPTER XIII**

21 **SOUTHEASTERN REGIONAL TRANSIT**

22 **AUTHORITY FEE**

23 **SECTION 1891.** 77.9971 of the statutes is renumbered 77.9971 (1) and amended
24 to read:

1 77.9971 (1) ~~A~~ The southeastern regional transit authority under s. 59.58 (6)
2 (7) may impose a fee at a rate not to exceed \$2 ~~\$18~~, as adjusted under sub. (2), for
3 each transaction in the ~~region, as defined in s. 59.58 (6) (a) 2.,~~ authority's
4 jurisdictional area, as described in s. 59.58 (7) (b), on the rental, but not for rental
5 and not for rental as a service or repair replacement vehicle, of Type 1 automobiles,
6 as defined in s. 340.01 (4) (a), by establishments primarily engaged in short-term
7 rental of passenger cars without drivers, for a period of 30 days or less, unless the
8 sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), or (9a). The
9 fee imposed under this subchapter shall be effective on the first day of the first month
10 that begins at least 90 days after the ~~governing body~~ board of directors of the
11 southeastern regional transit authority approves the imposition of the fee and
12 notifies the department of revenue. The ~~governing body~~ board of directors shall
13 notify the department of a repeal of the fee imposed under this subchapter at least
14 60 days before the effective date of the repeal.

15 **SECTION 1891d.** 77.9971 (2) of the statutes is created to read:

16 77.9971 (2) (a) The southeastern regional transit authority's board of directors
17 may provide for the annual adjustment of the fee specified in sub. (1) to reflect the
18 average annual percentage change in the U.S. consumer price index for all urban
19 consumers, U.S. city average, as determined by the U.S. department of labor, for the
20 12 months ending on September 30 of the year before the adjustment. If the fee is
21 adjusted under this subsection and the adjusted fee is not evenly divisible by \$0.25,
22 the adjusted fee shall be rounded to the next highest quarter-dollar amount.

23 (b) If the fee is adjusted under this subsection, the southeastern regional
24 transit authority shall provide notice to the department of revenue of the fee
25 adjustment at least 90 days before the adjustment becomes effective.