

# Clearinghouse Rule 97-046

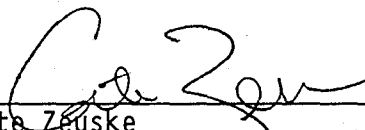
## CERTIFICATE

STATE OF WISCONSIN    )  
                                  ) SS  
DEPARTMENT OF REVENUE )

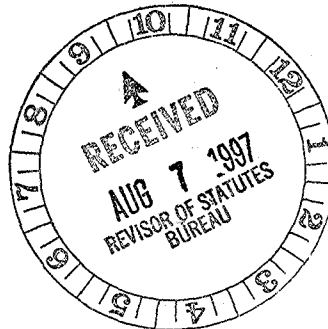
I, Cate Zeuske, Secretary of the Department of Revenue and custodian of the official records, certify that the annexed rule, relating to telecommunications services, was duly approved and adopted by this department on August 6, 1997.

I further certify that this copy has been compared by me with the original on file in this department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 125 South Webster Street in the city of Madison, this 6 day of August, 1997.

  
\_\_\_\_\_  
Cate Zeuske  
Secretary of Revenue

CKRUL/482



97-046  
10-1-97

ORDER OF THE DEPARTMENT OF REVENUE  
AMENDING RULES

The Wisconsin Department of Revenue adopts an order to amend Tax 11.66(2)(intro.) and (5), relating to telecommunications services.

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Analysis by the Department of Revenue

Statutory authority: s. 227.11(2)(a), Stats.

Statutes interpreted: s. 77.52(2)(a)5. and (2m), Stats.

SECTION 1. Tax 11.66(2)(intro.) and (5), relating to telecommunications services, are amended for the following reasons:

a. To reflect the amendment to s. 77.52(2)(a)5., Stats., by 1995 Wisconsin Act 351, relating to taxation of telecommunications services paid for by the insertion of coins in a coin-operated telephone.

b. To reflect the repeal of s. 77.54(24), Stats., by 1995 Wisconsin Act 27, relating to the exemption for equipment in central offices of telephone companies.

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SECTION 1. Tax 11.66 (2)(intro.) and (5) are amended to read:

Tax 11.66(2)(intro.) GENERAL. The sale of telecommunications services, ~~not including services paid for by the insertion of coins in a coin-operated telephone,~~ is subject to Wisconsin sales or use tax if both of the following occur:

(5) PURCHASES BY PERSONS PROVIDING SERVICE. Persons engaged in the business of providing ~~communications~~ telecommunications services are consumers, not retailers, of the tangible personal property used by them or transferred incidentally by them in providing those services. The tax applies to the sale of property to them. ~~However, s. 77.54(24), Stats., exempts "apparatus, equipment and electrical instruments, other than station equipment, in central offices of telephone companies, used in transmitting traffic and operating signals."~~

Note to Revisor: Change the first note at the end of Tax 11.66 to read:

Note: Section Tax 11.66 interprets ss. 77.51(17m) and (21m) and 77.52(2)(a)5. and 12. and (am) and (2m), Stats.

Note to Revisor: In the third note at the end of Tax 11.66, delete the word "and" before part (f) and add the following at the end of the note:

; (g) The repeal of the exemption for equipment in central offices of telephone companies became effective September 1, 1995, pursuant to 1995 Wis. Act 27; and (h) Telecommunications services paid for by the insertion of coins in a coin-operated telephone became taxable August 1, 1996, pursuant to 1995 Wis. Act 351.

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The rules contained in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

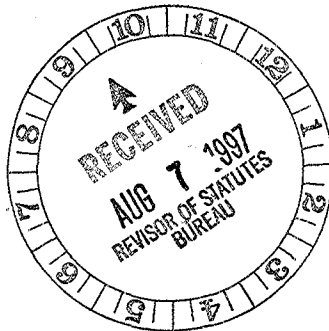
Final Regulatory Flexibility Analysis

The rule order does not have a significant economic impact on a substantial number of small businesses.

Dated: Aug 4, 1997

DEPARTMENT OF REVENUE  
By: Cate Zeuske  
Secretary of Revenue

CKRUL/264



LRB or Bill No /Adm. Rule No.

Tax 11.66

Amendment No. if Applicable

**FISCAL ESTIMATE  
DOA-2048 N(R10/94)**

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**  
Sales and Use Tax Treatment of Certain Telecommunications Services and Equipment

**Fiscal Effect**  
State:  No State Fiscal Effect  
Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Increase Costs - May be Possible to Absorb Within Agency's Budget       Yes       No  
 Decrease Costs

**Local:**  No Local Government Costs

1.  Increase Costs  
     Permissive       Mandatory

2.  Decrease Costs  
     Permissive       Mandatory

3.  Increase Revenues  
     Permissive       Mandatory

4.  Decrease Revenues  
     Permissive       Mandatory

5 Types of Local Governmental Units Affected:

Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       WTCS Districts

**Fund Sources Affected**  
 GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate**

The rule order updates Tax 11.66 with respect to the sales and use tax treatment of certain telecommunications services and equipment. Section 1 includes as a taxable service telecommunications purchased with coins from coin operated equipment as required by 1995 Wisconsin Act 351. Section 2 reflects 1995 Wisconsin Act 27 by repealing the tax exemption for central office equipment purchased by telecommunications firms. These changes have no fiscal effect.

**Long-Range Fiscal Implications**

<p><b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue Craig Kammholz, (608) 261-8984</p>	<p><b>Authorized Signature/Telephone No.</b> Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i></p>	<p><b>Date</b> 7/12/96</p>
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State of Wisconsin • DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON WISCONSIN 53708-8933 • (608) 266-6466 • FAX (608) 266-5718 • <http://www.dor.state.wi.us>

Tommy G. Thompson  
Governor

Cate Zeuske  
Secretary of Revenue

August 6, 1997

Douglas La Follette  
Secretary of State  
30 West Mifflin Street, 10th Floor  
Madison, WI 53703

Dear Secretary La Follette:

Enclosed are a Certificate and an Order of the Department of Revenue adopting Clearinghouse Rule 97-046.

These materials are filed with you pursuant to s. 227.20(1), Stats.

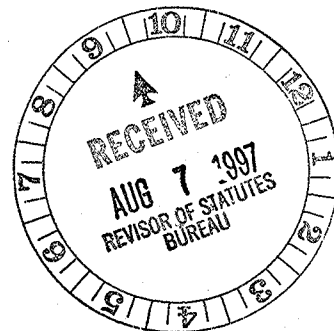
Sincerely,

Cate Zeuske  
Secretary of Revenue

CZ:MPW:c11  
CKRUL/478

Enclosure

cc: Deputy Revisor





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Tommy G. Thompson  
Governor

Cate Zeuske  
Secretary of Revenue

August 6, 1997

Gary L. Poulson  
Deputy Revisor  
131 West Wilson Street, Suite 800  
Madison, WI 53703-3233

Re: Clearinghouse Rule 97-046

Dear Mr. Poulson:

Enclosed are a certified copy and an extra copy of an Order of the Department of Revenue promulgating rules relating to sales and use tax.

These materials are filed with you pursuant to s. 227.20(1), Stats.

Sincerely,

Cate Zeuske  
Secretary of Revenue

CZ:MPW:c11  
CKRUL/479

Enclosure

cc: Douglas J. La Follette, Secretary of State  
Commerce Clearing House, Inc.  
Research Institute of America, Inc.

