

CR 87-54

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J. Wilson
Revisor of Statutes
Bureau

CERTIFICATE

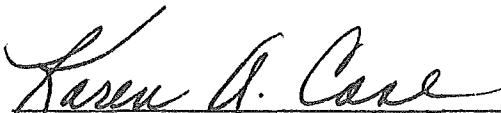
STATE OF WISCONSIN)
) SS
DEPARTMENT OF REVENUE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Karen A. Case, Secretary of the Department of Revenue and custodian of the official records of said department do hereby certify that the annexed Order, relating to increasing the occasional sales standard for nonprofit organizations was duly approved and adopted by this department on November 19, 1987,

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

IN TESTIMONY WHEREOF, I have hereunto set my hand at 125 South Webster Street in the city of Madison, this 19 day of November, 1987.



Karen A. Case
Secretary of Revenue

KAC:bet
430710

ORDER OF THE DEPARTMENT OF REVENUE
PROMULGATING RULES

To amend Tax 11.10(title), (2)(a), (3)(c)2, (d) and (e) and 11.50(4)(d)3 relating to an upward revision of the occasional sale standards for nonprofit organizations.

Analysis by the Department of Revenue

SECTION 1. A new statutory reference to s. 77.51(9) is added due to the fact that 1983 Wis. Act 544 renumbered s. 77.51(10), effective January 1, 1987. The statutory references in the rule are amended to reflect that renumbering in the title and sub. (2)(a).

SECTION 2. Rule Tax 11.10(3)(c)2, (d) and (e) are amended to change the occasional sale standard for nonprofit organizations from \$2,500 to \$7,000 of taxable receipts, other than from sales of admissions and meals, during a calendar year, effective January 1, 1988. The \$2,500 standard has been in effect since January 1, 1985. By raising the exemption standards, more nonprofit organizations will be able to make tax-free sales.

SECTION 3. Rule Tax 11.50(4)(d)3 is amended to increase the \$2,500 per year auction sale standard for nonprofit organizations to \$7,000 per year to conform to the same increase explained in Section 2.

Pursuant to the authority vested in the department by section 227.11, Stats., the Department of Revenue hereby promulgates rules interpreting ss. 77.51(9) and 77.54(7), Stats., as follows:

SECTION 1. Tax 11.10 (title) and (2)(a) are amended to read:

Tax 11.10(title) Occasional sales. (ss. 77.51(9), 77.52(2)(a)2 and 77.54(7), Stats.)

(2)(a) "Occasional sales" is defined in s. ~~77.51(10)~~ 77.51(9), Stats.

SECTION 2. Tax 11.10(3)(c)2, (d) and (e) are amended to read:

Tax 11.10(3)(c)2 The gross receipts from sales of property and services otherwise subject to the tax under s. 77.52(1) and (2), Stats., do not exceed ~~\$2,500~~ \$7,000 within a calendar year.

(d) Exceeding the \$7,000 standard. Nonprofit organizations with sales exceeding ~~\$2,500~~ \$7,000 annually are taxable on all receipts unless the department of revenue determines that their sales of property or services are

isolated and sporadic and that the organizations are not engaged in a part-time business or a partial vocation or occupation. Any organization may request a determination from the department as to whether it qualifies for the exemption. The request should be made in writing, listing items or services sold, unit costs and selling prices, anticipated total gross receipts from all sales activities for the calendar year, the number of days duration of sales throughout the year, and any other information that will assist the department in its determination. Requests for such determinations should be sent to the Wisconsin Department of Revenue; Income, Sales, Inheritance and Excise Tax Division; Post Office Box 8902; Madison, Wisconsin 53708.

(e) Each category treated separately. Each category of sale listed in pars. (a), (b) and (c) shall be treated separately. However, if an organization exceeds the exempt occasional sales standard in any category, it shall obtain a seller's permit and pay a tax on sales in all categories. If the ~~\$2,500~~ \$7,000 standard described in par. (c) is exceeded, all receipts from sales of property or services described in that paragraph and all subsequent receipts from admissions and meals shall be taxable.

Note to Revisor: The "Note" at the end of Tax 11.10 should be revised to read as follows:

Note: The interpretations in s. Tax 11.10 are effective under the general sales and use tax law on and after September 1, 1969 except: (a) sub. (5)(b) became effective on March 1, 1979, (b) the \$7,000 per calendar year standard in sub. (3)(c)2 became effective on January 1, 1988, (c) the standard in sub. (3)(c)2 was \$2,500 per year for the calendar years 1985, 1986 and 1987. Prior to January 1, 1985 the standard in sub. (3)(c)2 was \$1,000 per year and the standard in sub. (5)(c) was \$500 per year for persons who had gross receipts from sales of fishing bait; soft drinks; garage, lawn or rummage sales; lawn maintenance and landscaping services; parking; firewood and books.

SECTION 4. Tax 11.50(4)(d)3 is amended to read:

Tax 11.50(4)(d)3 Gross receipts from the auction sale of tangible personal property and taxable services do not exceed ~~\$2,500~~ \$7,000 during the year as provided in s. Tax 11.10(3).

Note to Revisor: The "Note" at the end of Tax 11.50 should be revised to read:

Note: The interpretations in s. Tax 11.50 are effective under the general sales and use tax law on and after September 1, 1969, except that the standard in sub. (4)(d)3 was \$2,500 in 1985, 1986 and 1987 and was increased from \$2,500 to \$7,000 effective January 1, 1988. Prior to January 1, 1985, the standard in sub. (4)(d)3 was \$1,000.

The rules, amendments and repeals contained in this order shall take effect on January 1, 1988.

Final Regulatory Flexibility Analysis

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

Date: November 19, 1987

DEPARTMENT OF REVENUE

By: Karen A. Case
Karen A. Case
Secretary of Revenue



State of Wisconsin ● DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET ● P.O. BOX 8933 ● MADISON, WISCONSIN 53708 ● 608-266-6466

Tommy G. Thompson
Governor

Karen A. Case
Secretary of Revenue

November 23, 1987

Mark D. Bugher
Deputy Secretary

James R. Behrend
Executive Assistant

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Revisor of Statutes
Bureau

Orlan L. Prestegard
Revisor of Statutes
30 West Mifflin Street, Suite 702
Madison, Wisconsin 53703

Re: Clearinghouse Rule 87-54

Dear Mr. Prestegard:

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

These materials are filed with you pursuant to s. 227.20, Wis. Stats.

Sincerely,

Karen A. Case
Karen A. Case
Secretary of Revenue

KAC:CRB:bet
Enclosure
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cc: Douglas J. LaFollette, Secretary of State
Prentice Hall, Inc.
Commerce Clearinghouse, Inc.