

DEPARTMENT OF REVENUE

128-1

or construction. The property tax exemption approvals for industrial and commercial waste treatment facilities are effective January 1 of each year. Any approvals issued prior to January 1 which apply to contemplated construction must of necessity be "tentative approvals" based on the information presented to the department by the applicant.

(c) Requests for approvals of an industrial waste treatment facility should be sent to the Department of Revenue, Bureau of Property Tax, 201 East Washington Avenue, Madison, WI 53702. Requests for approval by public utilities, railroads, airlines and pipelines should be sent to the Bureau of Utility and Special Taxes at the same address. The request should contain a thorough description of the waste treatment facility and include the Department of Natural Resources order number, if available.

(d) Requests for municipal approvals should be sent to the Department of Revenue, Technical Services Staff, Income, Sales, Inheritance and Excise Tax Division, 201 East Washington Avenue, Room 428, Madison, WI 53702. The municipality or solid waste recycling authority requesting an approval for a new waste treatment facility should provide a general description of the major waste processing units which are being added and describe their function and location. The applicant should also provide information regarding approvals of plans that previously were received from other governmental agencies.

(4) **INDUSTRIAL WASTE TREATMENT EXEMPTION.** (a) If an industrial or utility waste treatment facility qualifies for the property tax exemption under s. 70.11 (21) (a), or s. 76.02 (10), Stats., it qualifies for the sales and use tax exemption under s. 77.54 (26). Stats.

(b) When any plant or equipment has been approved as exempt from the property tax on January 1, the repair, service, alteration, cleaning, painting and maintenance of such exempt property and the repair parts and replacements therefor are also exempt through the following December 31. The exemption does not extend to supplies or services used to carry out the treatment process.

(5) **MUNICIPAL WASTE TREATMENT EXEMPTION.** (a) Storm sewers, water supply systems and private domestic waste water facilities do not qualify for the sales and use tax exemption.

(b) Prior to July 31, 1975, an entire municipal sanitary sewer, including its collection system, qualified for the sales and use tax exemption. On and after July 31, 1975, only the central waste treatment plant which actually treats the sewage qualifies for the exemption.

(c) The collection system throughout the area served by the treatment facility, the effluent pipeline carrying the treated sewage away from the central treatment plant, earthen dikes and chain link fences on the boundary of a treatment plant, and dredge material disposal sites are not exempt. The collection systems includes the lift stations, force mains and associated pumping equipment used to bring the raw sewage to the central treatment plant.

(d) When any municipal central waste treatment facility has been approved as exempt under s. 77.54 (26), Stats., the repair, service, alteration, cleaning, painting and maintenance of such property and the repair parts and replacements therefor are exempt from the sales and use tax.

Note: The interpretations in this rule are effective July 31, 1975 when ss. 70.11 (21) (a) and 77.54 (26), Stats., were revised, unless otherwise noted in this rule. Prior to that date, the exemption language was different and "approvals" were not obtained from the department of revenue.

History: Cr. Register, March, 1979, No. 279, eff. 4-1-79.

Tax 11.12 Farming, agriculture, horticulture and floriculture. (ss. 77.52 (2) (a) 10 and 77.54 (3), (3m) and (27), Stats.) (1) STATUTES. Sections 77.54 (3) and (3m), Stats., provide exemptions for certain sales to persons who are engaged in farming, agriculture, horticulture and floriculture as a business enterprise. Persons who contract with farmers to do agreed upon jobs are not engaged in farming as a business enterprise.

(2) DEFINITIONS. (a) "Farming" means the business of producing food products or other useful crops by tilling and cultivating the soil or by raising cattle, sheep, poultry, domesticated rabbits or other animals which produce a food product or which are themselves a food product. In addition, consistent with chs. 29 and 94, Stats., "farming" includes raising pheasants, foxes, fitch, nutria, marten, fisher, mink, chinchilla, rabbit, caracul and bees; producing honey products by a beekeeper of 50 or more hives; commercial raising of fish for food; commercial breeding and raising of horses for sale; and raising sod. "Farming" does not include home gardening and other similar noncommercial activities; breeding or raising dogs, cats, other pets or animals intended for use in laboratories; operating sporting or recreational facilities (e.g., riding stables or shooting preserves); operating stockyards, slaughterhouses or feed lots where livestock is held for a short period of time; lumbering and logging, and pulpwood and sawmill operations; milling and grinding grain; and preparing sausage, canned goods, jellies, juices or syrup.

(b) "Horticulture" means the business of producing vegetables, vegetable plants, fruits and nursery stock, including the operation of commercial nurseries and orchards. "Nurseries" do not include businesses which hold stock for purposes other than propagation or growth. Horticulture does not include the business of servicing plants owned by others; the raising of trees as timber; or lumber or sawmill operations.

(c) "Floriculture" means the business of producing flowers, Christmas trees or other decorative trees, plants or shrubs, including such operations as greenhouses.

(d) "Dairy farming" means the business of feeding and raising cattle and other milk producing animals, but does not include operations such as pasteurizing, homogenizing or making butter, cheese or ice cream.

(3) OBTAINING EXEMPTION CERTIFICATES. A retailer shall have a signed exemption certificate for every exempt sale made to a farmer. The standard "Farmer's Exemption Certificate" (Form S-206) provides for continuous use under certain conditions. The certificate shall be used only for categories of items listed on it. Every invoice to which the certificate refers must contain the seller's name, the farmer's name and address, the date of sale and a brief description of the product sold.