



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-0697/P1

JK:emw

DOA:.....Ziegler, BB0224 - Local Sales Tax Authority

**FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**GENERAL TAXATION**

***County and municipality sales and use taxes***

Current law allows a county to enact an ordinance to impose sales and use taxes at the rate of 0.5 percent of the sales price or purchase price on tangible personal property and taxable services. The county must use the revenue from the taxes for property tax relief. This bill allows a county to impose, by ordinance, an additional sales and use tax at the rate of 0.5 percent of the sales price or purchase price on tangible personal property and taxable services. However, the ordinance does not take effect unless approved by the majority of the voters of the county at a referendum. The revenue from those taxes may be used for any purpose designated by the county board or specified in the ordinance or in the referendum approving the ordinance.

The bill also allows a municipality with a 2020 population exceeding 30,000 to enact an ordinance to impose sales and use taxes at the rate of 0.5 percent of the sales price or purchase price on tangible personal property and taxable services. The ordinance does not take effect unless approved by the majority of the voters of the municipality at a referendum. The revenue from those taxes may be used for any purpose designated by the governing body of the municipality or specified in the ordinance or in the referendum approving the ordinance.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 20.566 (1) (g) of the statutes is amended to read:

20.566 (1) (g) *Administration of county and municipal sales and use taxes.*

From moneys received from the appropriation under s. 20.835 (4) (g), the amounts in the schedule for the purpose of administering the county and municipal taxes under subch. V of ch. 77. The balance of all taxes collected under subch. V of ch. 77, after the distribution under s. 77.76 (3), shall be credited to this appropriation. Notwithstanding s. 20.001 (3) (a), at the end of the fiscal year the unencumbered balance of this appropriation account lapses to the general fund.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 2.** 20.835 (4) (g) of the statutes is amended to read:

20.835 (4) (g) *County and municipal taxes.* All moneys received from the taxes imposed under s. 77.70 for distribution to the counties and municipalities ~~that enact an ordinance~~ imposing taxes under that section and for interest payments on refunds under s. 77.76 (3), except that 1.75 percent of those tax revenues collected under that section shall be credited to the appropriation account under s. 20.566 (1) (g).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 3.** Chapter 77 (title) of the statutes is amended to read:

## **CHAPTER 77**

### **TAXATION OF FOREST CROPLANDS;**

### **REAL ESTATE TRANSFER FEES;**

### **SALES AND USE TAXES;**

**COUNTY, MUNICIPALITY, AND  
SPECIAL DISTRICT SALES AND USE  
TAXES; MANAGED FOREST LAND;  
ECONOMIC DEVELOPMENT SURCHARGE;  
LOCAL FOOD AND BEVERAGE TAX;  
LOCAL RENTAL CAR TAX; PREMIER  
RESORT AREA TAXES; STATE RENTAL  
VEHICLE FEE; DRY CLEANING FEES**

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

**CHAPTER 77  
SUBCHAPTER V  
COUNTY, MUNICIPALITY, AND  
SPECIAL DISTRICT SALES AND  
USE TAXES**

**SECTION 5.** 77.70 (title) of the statutes is amended to read:

**77.70** (title) **Adoption by county or municipal ordinance.**

**SECTION 6.** 77.70 of the statutes is renumbered 77.70 (1) and amended to read:

77.70 (1) ~~Any~~ Except as provided in sub. (2), any county desiring to impose county sales and use taxes under this subchapter may do so by the adoption of an ordinance, stating its purpose and referring to this subchapter. The rate of the tax imposed under this ~~section~~ subsection is 0.5 percent of the sales price or purchase price. Except as provided in s. 66.0621 (3m), the county sales and use taxes under this subsection may be imposed only for the purpose of directly reducing the property tax levy and only in their entirety as provided in this subchapter. That ordinance

shall be effective on ~~the first day of January, the first day of April, the first day of July or the first day of October~~ January 1, April 1, July 1, or October 1. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal. Except as provided under s. 77.60 (9), the department of revenue may not issue any assessment nor act on any claim for a refund or any claim for an adjustment under s. 77.585 after the end of the calendar year that is 4 years after the year in which the county has enacted a repeal ordinance under this ~~section~~ subsection.

**SECTION 7.** 77.70 (2) of the statutes is created to read:

**77.70 (2)** In addition to the taxes imposed under sub. (1), a county may, by ordinance, impose a sales and use tax under this subchapter at the rate of 0.5 percent of the sales price or purchase price. An ordinance enacted under this subsection may not take effect unless approved by the majority of the electors of the county at a referendum. The revenue from the taxes imposed under this subsection may be used for any purpose designated by the county board or specified in the ordinance or in the referendum approving the ordinance. The taxes imposed under this subsection may be imposed only in their entirety as provided in this subchapter. If approved at a referendum, the ordinance shall be effective on January 1, April 1, July 1, or October 1. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal. Except as provided under s. 77.60 (9), the department of revenue may not issue any

assessment nor act on any claim for a refund or any claim for an adjustment under s. 77.585 after the end of the calendar year that is 4 years after the year in which the county has enacted a repeal ordinance under this subsection.

**SECTION 8.** 77.70 (3) of the statutes is created to read:

77.70 (3) A municipality with a population exceeding 30,000, as determined by the 2020 federal decennial census or under s. 16.96 for 2020, may, by ordinance, impose a sales and use tax under this subchapter at the rate of 0.5 percent of the sales price or purchase price. An ordinance enacted under this subsection may not take effect unless approved by the majority of the electors of the municipality at a referendum. The revenue from the taxes imposed under this subsection may be used for any purpose designated by the governing body of the municipality or specified in the ordinance or in the referendum approving the ordinance. The taxes imposed under this subsection may be imposed only in their entirety as provided in this subchapter. If approved at a referendum, the ordinance shall be effective on January 1, April 1, July 1, or October 1. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal. Except as provided under s. 77.60 (9), the department of revenue may not issue any assessment nor act on any claim for a refund or any claim for an adjustment under s. 77.585 after the end of the calendar year that is 4 years after the year in which the municipality has enacted a repeal ordinance under this subsection.

**SECTION 9.** 77.71 (intro.) of the statutes is amended to read:

**77.71 Imposition of county, municipality, and special district sales and use taxes.** (intro.) Whenever a ~~county~~ sales and use tax ordinance is adopted under s. 77.70 or a ~~special district~~ resolution is adopted under s. 77.705 or 77.706, the following taxes are imposed:

**SECTION 10.** 77.71 (1) of the statutes is amended to read:

77.71 (1) For the privilege of selling, licensing, leasing, or renting tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and for the privilege of selling, licensing, performing, or furnishing services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case of a county or municipality tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price from the sale, license, lease, or rental of tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed under sub. (4), sold, licensed, leased, or rented at retail in the county, municipality, or special district, or from selling, licensing, performing, or furnishing services described under s. 77.52 (2) in the county, municipality, or special district.

**SECTION 11.** 77.71 (2) of the statutes is amended to read:

77.71 (2) An excise tax is imposed at the rates under s. 77.70 in the case of a county or municipality tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming in the county, municipality, or special district tangible personal property, or items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property, item, property, good, or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3), (4), or (5) has been paid relieves the buyer of liability for the tax under

this subsection and except that if the buyer has paid a similar local tax in another state on a purchase of the same tangible personal property, item, property, good, or service that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a purpose in addition to retention, demonstration, or display while held for sale in the regular course of business by a dealer the tax under this subsection is imposed not on the purchase price but on the amount under s. 77.53 (1m).

**SECTION 12.** 77.71 (4) of the statutes is amended to read:

77.71 (4) An excise tax is imposed at the rates under s. 77.70 in the case of a county or municipality tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be registered or titled with this state and if that property is to be customarily kept in a county or municipality that has in effect an ordinance under s. 77.70 or in a special district that has in effect a resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local sales tax in another state on a purchase of the same property, that tax shall be credited against the tax under this subsection. The lease or rental of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft is not taxed under this subsection if the lease or rental does not require recurring periodic payments.

**SECTION 13.** 77.71 (5) of the statutes is amended to read:

77.71 (5) An excise tax is imposed on the purchase price for the lease or rental of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft at the rates under s. 77.70 in the case of a county or municipality tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax upon every person

storing, using, or otherwise consuming in the county or special district the motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be registered or titled with this state and if the lease or rental does not require recurring periodic payments, except that a receipt indicating that the tax under sub. (1) had been paid relieves the purchaser of liability for the tax under this subsection and except that if the purchaser has paid a similar local tax in another state on the same lease or rental of such motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft, that tax shall be credited against the tax under this subsection.

**SECTION 14.** 77.76 (3) of the statutes is renumbered 77.76 (3) (a) and amended to read:

77.76 (3) (a) From the appropriation under s. 20.835 (4) (g), the department of revenue shall distribute 98.25 percent of the county taxes reported for each enacting county, minus the county portion of the retailers' discounts, to the county and shall indicate the taxes reported by each taxpayer, no later than 75 days following the last day of the calendar quarter in which such amounts were reported. In this ~~subsection~~ paragraph, the "county portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross county sales and use taxes payable and the denominator of which is the sum of the gross state and county sales and use taxes payable. The county taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments of the county taxes previously distributed. Interest paid on refunds of county sales and use taxes shall be paid from the appropriation under s. 20.835 (4) (g) at the rate paid by this state under s. 77.60 (1) (a). The county may retain the amount it receives or it may distribute all or a portion



of the amount it receives to the towns, villages, cities, and school districts in the county. After receiving notice from the department of revenue, a county shall reimburse the department for the amount by which any refunds, including interest, of the county's sales and use taxes that the department pays or allows in a reporting period exceeds the amount of the county's sales and use taxes otherwise payable to the county under this ~~subsection~~ paragraph for the same or subsequent reporting period. Any county receiving a report under this ~~subsection~~ paragraph is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5) and (6).

**SECTION 15.** 77.76 (3) (b) of the statutes is created to read:

77.76 (3) (b) From the appropriation under s. 20.835 (4) (g), the department of revenue shall distribute 98.25 percent of the municipality taxes reported for each enacting municipality, minus the municipality portion of the retailers' discounts, to the municipality and shall indicate the taxes reported by each taxpayer, no later than 75 days following the last day of the calendar quarter in which such amounts were reported. In this paragraph, the "municipality portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross municipality sales and use taxes payable and the denominator of which is the sum of the gross state and municipality sales and use taxes payable. The municipality taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments of the municipality taxes previously distributed. Interest paid on refunds of municipality sales and use taxes shall be paid from the appropriation under s. 20.835 (4) (g) at the rate paid by this state under s. 77.60 (1) (a). After receiving notice from the department of revenue, a municipality shall reimburse the department for the

amount by which any refunds, including interest, of the municipality's sales and use taxes that the department pays or allows in a reporting period exceeds the amount of the municipality's sales and use taxes otherwise payable to the municipality under this paragraph for the same or subsequent reporting period. Any municipality receiving a report under this paragraph is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5) and (6).

**SECTION 16.** 77.76 (4) of the statutes is amended to read:

77.76 (4) There shall be retained by the state 1.5 percent of the taxes collected for taxes imposed by special districts under ss. 77.705 and 77.706 and 1.75 percent of the taxes collected for taxes imposed by counties or municipalities under s. 77.70 to cover costs incurred by the state in administering, enforcing, and collecting the tax. All interest and penalties collected shall be deposited and retained by this state in the general fund.

(END)