



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-6261/1  
JK:cdc

## 2021 ASSEMBLY BILL 1189

March 10, 2022 - Introduced by Representative SINICKI. Referred to Committee on Rules.

1     **AN ACT to create** 77.51 (12m) (b) 9., 77.51 (15b) (b) 9. and 77.52 (5m) of the  
2     statutes; **relating to:** the sales tax and the use tax on tips and gratuities.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the state imposes a sales tax on all retailers at the rate of 5 percent of the sales price from the sale, lease, or rental of tangible personal property and the sale of taxable services. In addition, the state imposes a use tax on all consumers, at the rate of 5 percent of the purchase price, for the consumption, use, or storage of goods in this state that the consumer purchases from an out-of-state retailer or purchasers without paying the appropriate sales tax and the consumption or use of taxable services in this state that the consumer purchases from an out-of-state retailer or purchases without paying the appropriate sales tax.

This bill excludes from the definitions of “sales price” and “purchase price,” for purposes of imposing the sales and use tax, any addition to the sale of tangible personal property, including any addition charged to the customer that represents or is in lieu of a tip or gratuity.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:***

