

## CHAPTER 77

## TAXATION OF FOREST CROP LAND; SELECTIVE SALES AND USE TAX LAW

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### SUBCHAPTER I TAXATION OF FOREST CROP LANDS

**77.01 Purposes.** It is the intent of this chapter to encourage a policy of protecting from destructive or premature cutting the forest growth in this state, and of reproducing and growing for the future adequate crops through sound forestry practices of forest products on lands not more useful for other purposes, so that such lands shall continue to furnish recurring forest crops for commercial use with public hunting and fishing as extra public benefits, all in a manner which shall not hamper the towns in which such lands lie from receiving their just tax revenue from such lands.

**History:** 1971 c. 215.

**77.015 Lands in villages included.** The provisions of sections 77.01 to 77.14 shall apply to villages for the same purposes as specified in section 77.01 and where in such sections the words "town" or "towns" appear they shall be substituted, for the purposes of this section, by the words "village" or "villages," respectively.

**77.02 Forest crop lands.** (1) **PETITION.** The owner of an entire quarter quarter section, fractional lot or government lot as determined by U.S. government survey plat, excluding public roads and railroad rights-of-way that may

have been sold, may file with the department of natural resources a petition stating that he believes the lands therein described are more useful for growing timber and other forest crops than for any other purpose, that he intends to practice forestry thereon, that all persons holding encumbrances thereon have joined in the petition and requesting that such lands be approved as "Forest Croplands" under this chapter. Whenever any such land is encumbered by a mortgage or other indenture securing any issue of bonds or notes, the trustee named in such mortgage or indenture or any amendment thereto may join in such petition, and such action shall for the purpose of this section be deemed the action of all holders of such bonds or notes.

(2) **NOTICE OF HEARING, ADJOURNMENT.** Upon receipt of such petition the department of natural resources shall investigate the same and shall file a listing of descriptions with the town chairman. For petitions received prior to September 1, the department shall within the same calendar year cause a notice that such petition has been filed to be published as a class 1 notice, under ch. 985, in a newspaper having general circulation in the county in which the lands are located. Such notice shall contain the name of the petitioner, a description of the lands and a statement that any resident of or taxpayer in the town may within 15 days from the date of publi-

cation of the notice file a request with the department that it conduct a public hearing on the petition. Upon receipt of such a request the department shall conduct a public hearing on the petition. The department may conduct a public hearing on any petition without a request, if it deems it advisable to do so. Notice of the time and place of such hearing and a description, in specific or general terms, as the department deems advisable, of the property requested to be approved as "Forest Croplands" shall be given to persons making the request, the owner of such land and to the assessor of towns in which it is situated, by mail, at least one week before the day of hearing. The notice also shall be published as a class 1 notice, under ch. 985, in a newspaper having general circulation in the county in which such land is located, at least one week before the day of the hearing. Such hearing may be adjourned and no notice of the time and place of such adjourned hearing need be given, excepting the announcement thereof by the presiding officer at the hearing at which the adjournment is had.

(3) **DECISION, COPIES.** After receiving all the evidence offered at any hearing held on the petition and after making such independent investigation as it sees fit the department shall make its findings of fact and make and enter an order accordingly. If it finds that the facts give reasonable assurance that a stand of merchantable timber will be developed on such descriptions within a reasonable time, and that such descriptions are then held permanently for the growing of timber under sound forestry practices, rather than for agricultural, mineral, shoreland development of navigable waters, recreational, residential or other purposes, and that all persons holding encumbrances against such descriptions have in writing agreed to the petition, the order entered shall grant the request of the petitioner on condition that all unpaid taxes against said descriptions be paid within 30 days thereafter; otherwise the department of natural resources shall deny the request of the petitioner. If the request of the petitioner is granted, a copy of such order shall be filed with the department of revenue, the supervisor of assessments, the clerk of each town and the register of deeds of each county in which any of the lands affected by the order are located. The register of deeds shall record the entry, transfer or withdrawal of all forest croplands in a suitable manner on the county records. The register of deeds may collect recording fees under s. 59.57 from the owner. Any order of the department relating to the entry of forest croplands issued on or before March 20 of any year shall take effect in such

year, but all orders issued after March 20 of any year shall take effect the year following.

**History:** 1971 c. 215.

In order to be eligible for entry under the forest crop law the lands must be continuous or contiguous and 40 or more acres in size 58 Atty. Gen. 8.

**77.03 Taxation of forest croplands.** After the filing of the order with the officers under s. 77.02 (3) the lands described therein shall be "Forest Croplands", on which taxes shall thereafter be payable only as provided under this subchapter. The passage of this act, petition by the owner and the making of the order under s. 77.02 (3) shall constitute a contract between the state and the owner, running with said lands, for a period of 25 or 50 years at the election of the applicant at the time the petition is filed, unless terminated as hereinafter provided, with privilege of renewal by mutual agreement between the owner and the state, whereby the state as an inducement to owners and prospective purchasers of forest croplands to come under this chapter agrees that until terminated as hereinafter provided, no change in or repeal of this chapter shall apply to any land then accepted as forest croplands, except as the department of natural resources and the owner may expressly agree in writing. If at the end of the contract period the contract is not renewed by mutual consent, then the merchantable timber on the land shall be estimated by an estimator jointly agreed upon by the department of natural resources and the owner, and if the department and the owner fail to agree on an estimator, the judge of the circuit court of the district in which the lands lie shall appoint a qualified forester, whose estimate shall be final, and the cost thereof shall be borne jointly by the department of natural resources and the owner; and the 10% severance tax paid on the stumpage thereon in the same manner as if said stumpage had been cut. The owners by such contract consent that the public may hunt and fish on the lands, subject to such rules as the department of natural resources prescribes regulating hunting and fishing.

**History:** 1971 c. 215.

**77.04 Taxation.** (1) **TAX ROLL.** The clerk on making up the tax roll shall enter as to each forest cropland description in a special column or some other appropriate place in such tax roll headed by the words "Forest Croplands" or the initials "F.C.L.", which shall be a sufficient designation that such description is subject to this chapter. Such land shall thereafter be assessed and be subject to review under ch. 70, and such assessment may be used by the department of revenue in the determination of the tax upon

withdrawal of such lands as forest croplands as provided in s. 77.10 for entries prior to 1972. The tax upon withdrawal of descriptions entered as forest croplands after December 31, 1971, may be determined by the department of revenue by multiplying the last assessed value of the land prior to the time of the entry by an annual ratio computed for the state under sub. (2) to establish the annual assessed value of the description. No tax shall be levied on forest croplands except the specific annual taxes as provided, except that any building located on forest cropland shall be assessed as personal property, subject to all laws and regulations for the assessment and taxation of general property.

(2) **TAX PER ACRE; PAYMENT; PENALTY.** Any owner shall be liable for and pay to the town treasurer on or before the last day of February of each year on each such description a sum herein called the "acreage share" computed at the rate of 10 cents per acre on all lands entered prior to 1972. On all lands entered after December 31, 1971, the "acreage share" shall be computed every 10 years to the nearest cent by the department of revenue at the rate of 20 cents per acre multiplied by a ratio using the equalized value per acre of the combined residential, mercantile, manufacturing, agricultural, swamp, or waste, productive forest land and nonproductive forest land classes under s. 70.32 (2) within the state in 1972 as the denominator, and using equalized value per acre for such combined land classes in 1982 and every 10th year thereafter as the numerator. If such acreage share is not paid by the last day of February to the town treasurer it shall be subject to interest at the rate of eight-tenths of one per cent per month or fraction thereof from January 1 preceding. Such lands shall be returned as delinquent and sold for delinquent taxes as provided for the sale of lands for taxes but no bid shall be received on such sale except from the county, and the county shall not be liable to the town for any amount except the acreage share subsequently paid by the owner. At the expiration of 3 years from the date of sale of any tax certificate acquired by the county hereunder, the county clerk shall promptly take a tax deed under s. 75.36, except that county board authorization shall not be required. On taking such deed the county clerk shall certify that fact and specify the descriptions to the department of natural resources.

(3) **APPORTIONMENT OF FOREST CROP LAND INCOME.** Out of all moneys received by any town from any source on account of forest crop lands in such town, the town treasurer shall on or before March 15 pay 20 per cent to the county treasurer, retain 40 per cent for the town and

apportion the remainder to the various common school districts or parts of such districts in which the said forest crop lands are located, in proportion to the acreage which the said lands within each school district or part thereof bears to the total acreage of the said lands in the town.

**History:** 1971 c. 215.

**77.05 State contribution.** (1) **CERTIFICATION.** On or before April 20 the county treasurer of each county containing forest crop lands shall certify to the department of natural resources for each owner the legal description in each town on which the owner has paid the acreage share pursuant to s. 77.04 (2), and also on acreage share previously returned delinquent and subsequently paid, except on lands on which an order of cancellation has been issued by the department of natural resources pursuant to s. 77.10 (1).

(2) **PAYMENT.** As soon after April 20 of each year as feasible, the department of natural resources shall pay to each town treasurer on each description as above certified, from the appropriation under s. 20.370 (2) (b), the sum of 20 cents per acre.

**History:** 1971 c. 215.

**77.06 Forestation.** (1) **CUTTING TIMBER REGULATED.** No person shall cut any merchantable wood products on any forest croplands where the forest crop taxes are delinquent nor until 30 days after the owner has filed with the department of natural resources a notice of intention to cut, specifying by descriptions and the estimated amount of wood products to be removed and the proportion of present volume to be left as growing stock in the area to be cut. The department of natural resources may require a bond executed by some surety company licensed in this state or other surety for such amount as may reasonably be required for the payment to the department of natural resources of the severance tax hereinafter provided. The department, after examination of the lands specified, may prescribe the amount of forest products to be removed. Cutting in excess of the amount prescribed shall render the owner liable to double the severance tax prescribed in s. 77.06 (5) and subject to cancellation under s. 77.10. Merchantable wood products include all wood products except wood used for fuel by the owner.

(2) **APPRAISAL OF TIMBER, ZONES.** During the month of July in each year the department of natural resources, at such time and place as it shall fix, and after such public notice thereof as it deems reasonable, shall hold a public hearing, and not later than September first thereafter shall make and file, open to public inspection, a determination of the reasonable stumpage values

of the wood products usually grown in the several towns in which any forest crop lands lie. If the department of natural resources finds there is a material variance in such stumpage values in the different localities, it may fix separate zones and determine such values for each zone.

(3) **REVALUATION.** As to any locality or zone in which the department of natural resources deems there has been no material variance from the preceding year in stumpage values, it may omit to make any new valuation in any year, in which event the last preceding valuation shall continue in force until changed in a succeeding year.

(4) **CUTTING REPORTED.** Within 30 days after completion of cutting on any land description, but not more than one year after filing of the notice of intention to cut, the owner shall transmit to the department of natural resources on forms provided by the department a written statement of the products so cut, specifying the variety of wood, kind of product, and quantity of each variety and kind as shown by the scale or measurement thereof made on the ground as cut, skidded, loaded, delivered, or by tree scale certified by a qualified forester when stumpage is sold by tree measurement. The department of natural resources may accept such reports as sufficient evidence of the facts, or may either with or without hearing and notice of time and place thereof to such owner, investigate and determine the fact of the quantity of each variety and kind of product so cut during said periods preceding such reports.

(5) **TAX LEVY ON RIGHT TO CUT TIMBER.** The department of natural resources shall assess and levy against such owner a severance tax on the right to cut and remove wood products covered by reports under this section, at the rate of 10% of the value of such wood products based upon the stumpage value then in force. Upon making such assessment, the department of natural resources shall mail a duplicate of such certificate by registered mail to the owner who made the report of cutting at his last known post-office address. The tax thereby assessed is due and payable to the department of natural resources on the last day of the next calendar month after mailing such certificate.

**History:** 1971 c. 215.

**77.07 Severance tax.** (1) **LIABILITY FOR TAXES, LIENS.** The owner of the land shall be personally liable for any severance tax because of any wood products cut therefrom, which tax shall also be a lien on such wood products wherever situated and in whatever form, or if mingled with other products, then on the common mass,

until paid, while in the possession of such owner, or of any other person than a purchaser for value without notice in the usual course of business.

(2) **PENALTY, COLLECTIONS.** If any severance tax remain unpaid for 30 days after it becomes due, there shall then be added a penalty of 10%, and such tax and penalty shall thereafter draw interest at the rate of one per cent per month until paid. At the expiration of said 30 days the department of natural resources shall report to the attorney general any unpaid severance tax, adding said penalty, and the attorney general shall thereupon proceed to collect the same with penalty and interest by suit against the owner and by attachment or other legal means to enforce the lien and by action on the bond mentioned in s. 77.06 (1), or by any or all such means.

(3) **DIVISION OF TAX MONEY.** All severance taxes collected in cash shall be divided as follows: The state shall retain an amount equal to the total acreage payments on the lands to which the severance taxes relate, made by the state under s. 77.05, and all penalties imposed under s. 77.06 (1) and sub. (2), and the balance shall be paid to the town treasurer to be apportioned as provided in s. 77.04 (3).

**History:** 1971 c. 215.

**77.08 Supplemental severance tax.** At any time within one year after any cutting should have been reported, the department of natural resources after due notice to the owner and opportunity to be heard, and on evidence duly made a matter of record, may determine whether the quantity of wood products cut from any such land, did in fact substantially exceed the amount on which the severance tax theretofore levied was based, and if so shall assess a supplemental severance tax which, in all respects, shall have the same force and effect as the former severance tax, except only it shall not be a lien on any property the title of which has passed to a purchaser for value without notice.

**77.09 False reports, penalties.** Any person who fails to report or shall intentionally make any false statement or report to the department of natural resources required by s. 77.06 shall be guilty of a misdemeanor, and imprisoned in the county jail for not exceeding one year or fined not exceeding \$1,000, or both.

**77.10 Withdrawal of forest crop lands.** (1) **INVESTIGATIONS, REFUNDS, FORFEITURES.** (a) The department of natural resources shall on the application of the department of revenue or the owner of any forest croplands or the town board

of the town in which said lands lie and may on its own motion at any time cause an investigation to be made and hearing to be had as to whether any forest croplands shall continue under this chapter. If on such hearing after due notice to and opportunity to be heard by the department of revenue, the town and the owner, the department of natural resources finds that any such lands are not meeting the requirements set forth in s. 77.02 or that the owner has made use of the land for anything other than forestry or has failed to practice sound forestry on the land, the department of natural resources shall cancel the entry of such description and issue an order of withdrawal, and the owner shall be liable for the tax and penalty under sub. (2). Copies of the order of withdrawal specifying the description shall be filed by the department of natural resources with all officers designated to receive copies of the order of entry and withdrawal and this chapter shall not thereafter apply to the lands withdrawn, except s. 77.07 so far as it may be needed to collect any previously levied severance or supplemental severance tax. If the owner shall not repay the amounts on or before the last day of February next succeeding the return of such lands to the general property tax roll as provided in sub. (4), the department of natural resources shall certify to the county treasurer the descriptions and the amounts due, and the county treasurer shall sell such lands as delinquent as described in s. 77.04 (2). Whenever any county clerk has certified to the taking of tax deed under s. 77.04 (2) the department of natural resources shall issue an order of withdrawal as to the lands covered in such tax deed. Such order may also be issued when examination of tax records reveals prolonged delinquency and noncompliance with the requirements of s. 77.04 (2).

(b) Whenever any owner of forest croplands conveys such land he shall, within 10 days of the date of the deed, file with the department of natural resources on forms prepared by the department a transfer of ownership signed by him and an acceptance of transfer signed by the grantee certifying that he intends to continue the practice of forestry on such land. The department of natural resources shall immediately issue a notice of transfer to all officers designated to receive copies of orders of entry and withdrawal. Whenever a purchaser of forest croplands declines to certify his intention to continue the practice of forestry thereon, such action shall constitute cause for cancellation of entry under par. (a) without hearing.

(2) ELECTION TO WITHDRAW LANDS. (a) Any owner of forest croplands may elect to

withdraw all or any of such lands from under this chapter, by filing with the department of natural resources a declaration withdrawing from this chapter any description owned by him which he specified, and by payment by such owner to the department of natural resources within 60 days the amount of tax due as determined by the department of revenue under s. 77.04 (1) with simple interest thereon at 5% per annum, less any severance tax and supplemental severance tax or acreage share paid thereon, with interest computed according to the rule of partial payments at the rate of 5% per annum. The exact amount of such tax shall be determined by the department of revenue after hearing and upon due notice of all parties interested, provided that when the tax rate or assessed value ratio of the current year has not been determined the rate of the preceding tax year may be used. On receiving such payment the department of natural resources shall issue an order of withdrawal and file copies thereof with the department of revenue, the supervisor of assessments, the clerk of the town and the register of deeds of the county in which such land lies. Such land shall then cease to be forest croplands.

(b) Upon receipt of any such taxes by the state the department of natural resources shall first deduct all moneys paid by the state on account of such lands under s. 20.370 (2) (b) with interest thereon computed according to the rule of partial payments at the rate of 5% per annum. The balance the said department of natural resources shall within 20 days remit to the town treasurer who shall pay 20% to the county treasurer, retain 40% for the town and apportion the remainder to the various common school districts or parts of such districts in which the said forest crop lands were located, in proportion to the acreage which the said lands within each school district or part thereof bears to the total acreage of the said lands in the town.

(4) TAXATION AFTER WITHDRAWAL. When any description ceases to be a part of the forest crop lands, by virtue of any order of withdrawal issued by the department of natural resources, taxes thereafter levied thereon shall be payable and collectible as if such description had never been under this chapter.

History: 1971 c. 215

**77.11 Accounts of department of natural resources.** The department of natural resources shall keep a set of forest crop lands books in which shall always appear as to each description in each town containing any such lands, the amount of taxes paid by the state to the town and received by the state from the owner. All such payments shall be paid out of and receipts credited to the general fund.

**77.12 Review of findings, venue.** Any finding of fact made under this chapter after due notice and hearing shall be final and conclusive, except and unless set aside or modified by the judgment of the circuit court for either Dane county, or of the county in which the land lies in either of which action may be brought for that purpose, within thirty days after the making of the finding sought to be reviewed.

**77.14 Forest crop lands propaganda, protection, appropriation.** The department of natural resources shall publish and distribute information regarding the method of taxation of forest crop lands under this chapter, and may employ a fire warden in charge of fire prevention in forest crop lands. All actual and necessary expenses incurred by the department of natural resources or by the department of revenue in the performance of their duties under this chapter shall be paid from the appropriation made in s. 20.370 (2) (a) upon certification by the department incurring such expenses.

**77.16 Woodland tax law.** (1) The owner of any tract of land of less than 40 acres may file with the department of natural resources an application setting forth a description of the property which he desires to place under the woodland tax law and on which land he will practice forestry.

(2) Upon filing of such application the department of natural resources shall examine the land, and if it finds that the facts give reasonable assurance that the woodland is more suitable for the growing of timber and other forest products and that such lands are not more useful for any other purpose the department of natural resources shall enter an order approving the application. A copy of such order shall be forwarded to the owner of the land, to the supervisor of property assessments of the district wherein the land is located, to the clerk of the town, to the assessor of the town and to the county clerk of the county wherein the land is located.

(3) The application of the owner of the land and the filing of the order by the department of natural resources shall constitute a contract, running with the land, for a period of 10 years, unless terminated as hereinafter provided. Any order issued on or before March 20 of any year shall take effect in such year, but all orders issued after March 20 in the calendar year shall take effect the following year. If at the end of 10 years said contract is not renewed by mutual consent the land is declassified and shall be removed from the provisions of this section.

(4) The assessor in preparing the assessment roll shall show the acreage for each owner covered by the provisions of this section in a column designated by the words "Woodland Tax Law" or the initials "WTL".

(5) The owner shall be liable and shall pay to the town treasurer at the same time he pays the taxes on the remaining acreage of his land a tax computed at the rate of 20 cents per acre on the land approved for entry under this section. Such acreage tax shall be part of the total taxes on the land of the owner and subject to the collection of taxes provided for in ch. 74.

(6) The owner of the land shall promote the growth of trees and shall prohibit grazing and burning on lands entered under the woodland tax law. At the request of the owner the department of natural resources shall assist in preparing and carrying out planting and forest management plans. The department of natural resources shall make an annual written report as to the forest practices of each owner of the lands under this section. If the department finds that the owner has not complied with the law, or if the land is no longer used for forestry purposes, it shall issue an order removing the land from the woodland tax law classification. Any declassification order issued on or before March 20 of any year shall take effect in such year. A copy of the declassification order shall be sent to the owner of the land, to the supervisor of property assessments of the district wherein the land is located, to the clerk and to the assessor of the town, and to the county clerk of the county wherein the land is located. Any order issued under this subsection shall be final unless set aside by the department of natural resources.

(7) The owner, town board or county board may petition the department of natural resources for a public hearing to take testimony and hear evidence on whether lands shall be entered or continued under this section. Upon the filing of such petition the department of natural resources shall set such matter for public hearing at such time and place as it sees fit, but not later than 90 days from the date of filing of the petition. The said department of natural resources shall give 30 days' written notice of the hearing to the petitioners. Such hearing may be adjourned for 60 days and no notice of the time and place of such adjourned meeting need be given excepting the announcement thereof by the presiding officer at the hearing at which the adjournment is had. The presiding officer at the hearing may be an employe of the department of natural resources designated by the department of natural resources to conduct the hearing.

(8) After hearing all the evidence and after making such independent investigation as it sees fit the department of natural resources shall make its findings of fact and make and enter an order accordingly within 60 days after the final adjournment of the hearing. Copies of the order shall be forwarded to the owner of the land, to the supervisor of property assessments of the district wherein the land is located, to the clerk of the town, to the assessor of the town, to the county clerk and to the petitioner if not included above. The order of the department of natural resources shall be final.

(9) The department of natural resources shall furnish appropriate forms to carry out this section to the owners of lands interested in entry of lands under the woodland tax law.

Detached parcels of less than 40 acres are eligible for entry under the woodland tax law. 58 Atty. Gen. 8.

## SUBCHAPTER II REAL ESTATE TRANSFER FEE

### 77.21 Definitions. In this subchapter:

(1) "Conveyance" includes deeds and other instruments for the passage of ownership interests in real estate, including contracts and assignments of a vendee's interest therein but excluding easements, wills or leases.

(2) "Register" means the register of deeds for the county in which particular real estate is located.

(3) "Value" means:

(a) In the case of any conveyance not a gift, the amount of the full actual consideration paid therefor or to be paid, including the amount of any lien or liens thereon; and

(b) In case of a gift, or any deed of nominal consideration or any exchange of properties, the estimated price the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and at prevailing general price levels.

History: 1971 c. 150.

**77.22 Imposition of real estate transfer fee.** (1) CONVEYANCE There is imposed on the grantor of real estate a real estate transfer fee at the rate of 10 cents for each \$100 of value or fraction thereof, on every conveyance not exempted or excluded under this subchapter. Such fee shall be collected by the register at the time the instrument of conveyance is submitted for recording. At the time of such submission the grantee or his duly authorized agent or other person acquiring an ownership interest under the instrument shall execute a return in such form as the secretary prescribes setting forth the

value of the ownership interest transferred by the instrument, the amount of the fee payable and such other information as the secretary requires. The register shall enter the fee paid on the face of the deed or other instrument of conveyance before recording, and collection by him of the fee shall be a prerequisite to acceptance of the conveyance for recording. The register shall have no duty to determine either the correct value of the real estate transferred nor the validity of any exemption or exclusion claimed. If the transfer is not subject to a fee as herein provided, the reason for exemption shall be stated on the face of the conveyance to be recorded by reference to the proper subsection under s. 77.25.

(2) LAND CONTRACT. (a) No fee shall be imposed on the recording of an original land contract or an instrument evidencing the existence of a land contract. At the time of submission of the land contract or instrument evidencing the existence of a land contract, the vendee or his duly authorized agent shall execute a return in such form as the secretary prescribes as a prerequisite to acceptance by the register for recording. The register shall enter the date of recording on the form. The returns accepted by the register shall be sent to the department of revenue by the 15th day of the month following the close of the month in which such land contracts were recorded.

(b) The fee imposed by this subchapter shall be due at the time of submission for recording of the deed or other instrument executed in fulfillment of a land contract and shall be collected and noted as under sub. (1).

History: 1971 c. 150.

**77.23 Disposition of fees and returns.** On or before the 15th day of each month the register shall submit to the county treasurer transfer fees collected by him together with the returns filed in his office during the preceding month for the treasurer's transmission to the department of revenue under s. 77.24. The returns filed under this section and s. 77.22 shall be deemed privileged information, for use in any proceeding involving the amount of the requisite fee or for use of the department and local assessors or their agents or employes and of governmental agencies acquiring real property for public purposes; but in a condemnation proceeding or an appeal from an assessment of real property, returns shall be open to inspection by the property owner or his agent. The department shall distribute information from such returns to local assessors.

**77.24 Division of fee.** Fifty per cent of all fees collected under this subchapter shall be re-

tained by the county and the balance shall be transmitted to the state. Remittances shall be made monthly by the county treasurers to the department of revenue by the 15th day of the month following the close of the month in which the fee was collected. The remittance to the department shall be accompanied by the returns executed under s. 77.22.

**77.25 Exemptions from fee.** The fees imposed by this subchapter do not apply to a conveyance:

- (1) Prior to October 1, 1969.
- (2) To the United States or to this state or to any instrumentality, agency or subdivision of either.
- (3) Which, executed for nominal, inadequate or no consideration, confirms, corrects or reforms a conveyance previously recorded.
- (4) On sale for delinquent taxes or assessments.
- (5) On partition.
- (6) Pursuant to mergers of corporations.
- (7) By a subsidiary corporation to its parent for no consideration, nominal consideration or in sole consideration of cancellation, surrender or transfer of capital stock between parent and subsidiary corporation.
- (8) Between husband and wife or parent and child for nominal or no consideration.
- (9) Between agent and principal or trustee and beneficiary without actual consideration.
- (10) Solely in order to provide or release security for a debt or obligation except as required by s. 77.22 (2) (b).
- (11) By will, descent or survivorship.
- (12) Pursuant to or in lieu of condemnation.
- (13) Of real estate having a value of \$100 or less.

**History:** 1971 c. 150.

**77.26 Exemption from return.** No return is required with respect to conveyances exempt from the fees herein provided, except conveyances to the state or to political subdivisions which do not state, in money, the full consideration, or land contracts recorded under s. 77.22 (2) (a), or between husband and wife or parent and child for nominal, inadequate or no consideration.

**History:** 1971 c. 150 s. 6; 1971 c. 307, 310.

**77.27 Penalty for falsifying value.** Any person who intentionally falsifies value on a return required to be filed under this subchapter may for each such offense be fined not more than \$1,000 or imprisoned in the county jail not more than one year, or both.

**77.28 Refund of fees erroneously paid.** Fees erroneously paid hereunder may be refunded by the county treasurer. If 50% of the erroneous fee has been previously remitted to the state the county treasurer shall adjust his next payment to the state by such prior excess payment.

**77.29 Fee for recording.** In any county in which the register of deeds is compensated on a fee basis, the county shall pay him an additional amount equal to 25% of the recording fees for all deeds or other instruments conveying real estate evidencing transfers subject to fee under this subchapter.

**77.30 Rules.** The secretary of revenue may adopt, pursuant to ch. 227, such rules as he deems necessary in the administration of this subchapter and may proceed under s. 73.03 (9) to enforce its provisions.

### SUBCHAPTER III GENERAL SALES AND USE TAX

**77.51 Definitions.** Except where the context requires otherwise, the definitions given in this section govern the construction of terms in this subchapter.

- (1) "Sales tax" means the tax imposed by s. 77.52.
- (2) "Use tax" means the tax imposed by s. 77.53.
- (3) "Person" includes any natural person, firm, partnership, joint venture, joint stock company, association, public or private corporation, the United States, the state of Wisconsin, including any unit or division thereof, any county, city, village, town, municipal utility, municipal power district or other governmental unit, cooperative, estate, trust, receiver, executor, administrator, any other fiduciary, and any representative appointed by order of any court or otherwise acting on behalf of others.
- (4) "Sale", "sale, lease or rental", "retail sale", "sale at retail", or equivalent terms include any one or all of the following: the transfer of the ownership of, title to, possession of, or enjoyment of tangible personal property or services for use or consumption but not for resale as tangible personal property or services and includes:
  - (a) Any sale at an auction in respect to tangible personal property which is sold to a successful bidder at the auction including a sale upon an agreement or understanding at the time of the sale that the property involved either will not be delivered to the successful bidder or that any amount which he may pay for the property pur-

suant to the sale will be returned to him. The tax shall be computed in such case upon the amount of the successful bid.

(b) The furnishing or distributing of tangible personal property or taxable services for a consideration by social clubs and fraternal organizations to their members or others.

(c) A transaction whereby the possession of tangible personal property is transferred but the seller retains the title as security for the payment of the price.

(d) The delivery in this state of tangible personal property by an owner or former owner thereof or by a factor, or agent of such owner, former owner or factor, if the delivery is to a consumer or person for redelivery to a consumer, pursuant to a retail sale made by a retailer not engaged in business in this state. The person making the delivery shall include the retail selling price of the property in his gross receipts.

(f) The furnishing, preparing or serving for consideration of food, meals, confections or drinks.

(g) A sale of tangible personal property to a contractor or subcontractor for use in the performance of contracts with the United States or its instrumentalities for the construction of improvements on or to real property.

(h) A transfer for a consideration of the title or possession of tangible personal property which has been produced, fabricated or printed to the special order of the customer or of any publication.

(i) Sales of building materials, supplies and equipment to owners, contractors, subcontractors or builders for the erection of buildings or structures or the alteration, repair or improvement of real property. Such transactions are deemed retail sales in whatsoever quantity sold.

(j) The granting of possession of tangible personal property by a lessor to a lessee, or to another person at the direction of the lessee. Such a transaction is deemed a continuing sale in this state by the lessor for the duration of the lease as respects any period of time the leased property is situated in this state, irrespective of the time or place of delivery of the property to the lessee or such other person.

(k) Any sale of tangible personal property to a purchaser even though such property may be used or consumed by some other person to whom such purchaser transfers the tangible personal property without valuable consideration, such as gifts, and advertising specialties distributed gratis apart from the sale of other tangible personal property or service.

(4g) "Sale" does not include:

(a) The transfer of property to a corporation upon its organization solely in consideration for the issuance of its stock;

(b) The contribution of property to a newly formed partnership solely in consideration for a partnership interest therein;

(c) The transfer of property to a corporation, solely in consideration for the issuance of its stock, pursuant to a merger or consolidation;

(d) The distribution of property by a corporation to its stockholders as a dividend or in whole or partial liquidation;

(e) The distribution of property by a partnership to its partners in whole or partial liquidation; or

(f) Repossession of property by the seller from the purchaser when the only consideration is cancellation of the purchaser's obligation to pay the remaining balance of the purchase price.

(4r) A sale or purchase involving transfer of ownership of property shall be deemed to have been completed at the time and place when and where possession is transferred by the seller or his agent to the purchaser or his agent, except that for purposes of this subsection a common carrier or the U.S. postal service shall be deemed the agent of the seller, regardless of any f.o.b. point and regardless of the method by which freight or postage is paid.

(5) "Tangible personal property" means all tangible personal property of every kind and description and includes electricity, natural gas, steam and water and also leased property affixed to realty if the lessor has the right to remove the property upon breach or termination of the lease agreement, unless the lessor of the property is also the lessor of the realty to which the property is affixed. The term also includes coins and stamps of the United States sold or traded as collectors' items above their face value.

(6) "In this state" or "in the state" means within the exterior limits of the state of Wisconsin.

(7) "Retailer" includes:

(a) Every seller who makes any sale of tangible personal property or taxable service.

(am) Any person making any retail sale of a motor vehicle, aircraft or boat registered, or required to be registered, under the laws of this state.

(b) Every person engaged in the business of making sales of tangible personal property for storage, use or consumption or in the business of making sales at auction of tangible personal property owned by the person or others for storage, use or other consumption.

(c) When the department determines that it is necessary for the efficient administration of this subchapter to regard any salesmen, representatives, peddlers or canvassers as the agents of the dealers, distributors, supervisors or employers under whom they operate or from whom they obtain the tangible personal property sold by them, irrespective of whether they are making the sales on their own behalf or on behalf of such dealers, distributors, supervisors or employers, the department may so regard them and may regard the dealers, distributors, supervisors or employers as retailers for purposes of this subchapter.

(d) Every wholesaler to the extent that he sells tangible personal property to a person other than a seller as defined in sub. (9) provided such wholesaler is not expressly exempt from the sales tax on such sale or from collecting the use tax on such sale.

(e) The proceeds from the sale of property sold at auction which is bid in by the seller and on which title does not pass to a new purchaser, shall be deducted from the gross proceeds of the sale and the tax paid only on the net proceeds.

(i) A person selling materials or supplies to barbers, beauty shop operators or bootblacks for use by them in the performance of their services.

(j) A person selling materials and supplies to producers of X-ray films.

(k) As respects a lease, any person deriving rentals from a lease of tangible personal property situated in this state.

(m) A person selling tangible personal property to a veterinarian to be used or furnished by the veterinarian in the performance of services in some manner related to domestic animals, including pets or poultry.

(n) A person selling household furniture, furnishings, equipment, appliances or other items of tangible personal property to a landlord for use by tenants in leased or rented living quarters.

(7m) Any person purchasing from a retailer as defined in sub. (7) shall be deemed the consumer of the tangible personal property or personal services purchased.

(8) "Business" includes any activity engaged in by any person or caused to be engaged in by any person with the object of gain, benefit or advantage, either direct or indirect, and includes also the furnishing and distributing of tangible personal property or taxable services for a consideration by social clubs and fraternal organizations to their members or others.

(9) "Seller" includes every person selling, leasing or renting tangible personal property or selling, performing or furnishing services of a

kind the gross receipts from the sale, lease, rental, performance or furnishing of which are required to be included in the measure of the sales tax.

(10) "Occasional sales" includes:

(a) Isolated and sporadic sales of tangible personal property or taxable services where the infrequency, in relation to the other circumstances, including the sales price and the gross profit, support the inference that the seller is not pursuing a vocation, occupation or business or a partial vocation or occupation or part-time business as a vendor of personal property or taxable services. No sale of any tangible personal property or taxable service may be deemed an occasional sale if at the time of such sale the seller holds or is required to hold a seller's permit.

(b) Any transfer of all or substantially all the property held or used by a person in the course of such an activity when after such transfer the real or ultimate ownership of such property is substantially similar to that which existed before such transfer. For the purposes of this section, stockholders, bondholders, partners or other persons holding an interest in a corporation or other entity, are regarded as having the "real or ultimate ownership" of the property of such corporation or other entity.

(c) Sales of admissions or tickets by a neighborhood association, church, civic group, garden club, social club or similar organization to an event, including a meal, not involving professional entertainment, conducted by such organization, when such organization is not engaged in a trade or business and not otherwise required to have a seller's permit, and when no more than 3 such events were conducted by the organization in the previous calendar year and no more than 3 are anticipated during the current calendar year and such events do not fall on more than 7 different days within the calendar year.

(e) An auction which is the sale of personal farm property or household goods and not held at regular intervals.

(11) (a) "Gross receipts" means the total amount of the sale, lease or rental price, as the case may be, from sales at retail of tangible personal property, or taxable services, valued in money, whether received in money or otherwise, without any deduction on account of the following:

1. The cost of the property sold;
2. The cost of the materials used, labor or service cost, interest paid, losses or any other expense;
3. The cost of transportation of the property prior to its sale to the purchaser;

4. Any tax included in or added to the purchase price, including the taxes imposed by ss. 139.02 and 139.03, including also any manufacturers' or importers' excise tax; but not including any tax imposed by the United States, any other tax imposed by this state or any tax imposed by any municipality of this state upon or with respect to retail sales whether imposed upon the retailer or the consumer if measured by a stated percentage of sales price or gross receipts or the federal communications tax imposed upon the services set forth in s. 77.52 (2) (a) 3 and 4. For purposes of the sales tax, if a retailer establishes to the satisfaction of the department that the sales tax imposed by this subchapter has been added to the total amount of the sales price and has not been absorbed by him, the total amount of the sales price shall be deemed to be the amount received exclusive of the sales tax imposed.

(b) "Gross receipts" shall not include:

1. Cash or term discounts allowed and taken on sales;

2. Such part of the sales price as is refunded in cash or credit as a result of property returned or adjustments in the sales price after the sale has been completed, provided the seller has included the said refunded receipts in a prior return made by such seller and has paid the tax thereon; and provided the seller has returned to the purchaser in cash or credit any and all tax previously paid by the purchaser on the amount of such refund at the time of the purchase.

3. In all transactions in which an article of tangible personal property is traded toward the purchase of an article of greater value, the gross receipts shall be only that portion of the purchase price represented by the difference between the full purchase price of the article of greater value and the amount allowed for the article traded.

4. In the case of accounts which are found to be worthless and charged off for income tax purposes, a retailer is relieved from liability for sales tax. A retailer who has previously paid the sales tax on such accounts may take as a deduction from the measure of the tax the amount found to be worthless and this deduction must be taken from the measure of the tax in the period in which said account is found to be worthless or within a reasonable time thereafter.

5. Transportation charges separately stated, if the transportation occurs after the sale of the property is made to the purchaser.

(c) "Gross receipts" includes:

1. All receipts, cash, credits and property except as provided in par. (b) 3.

2. Any services that are a part of the sale of tangible personal property.

3. The entire sales price of credit transactions in the reporting period in which the sale is made without reduction in the amount of tax payable by the retailer by reason of his transfer at a discount the open account, note, conditional sales contract, lease contract or other evidence of indebtedness. No reduction in the amount of tax payable by the retailer is allowable in the event property sold on credit is repossessed except where the entire consideration paid by the purchaser is refunded to him or where a credit for a worthless account is allowable under par. (b) 4.

4. The price received for labor or services used in installing or applying tangible personal property sold, except the price received for installing or applying property which, when installed or applied, will constitute an addition or capital improvement of real property and provided such amount is separately set forth from the amount received for the tangible personal property.

5. If a lessor of tangible personal property purchased such property before or after the change from a selective to a general sales tax law and reimbursed his vendor for sales tax on the sale by such vendor to him, the tax due from such lessor on his rental receipts on and after September 1, 1969, may be offset by a credit equal to, but not in excess of, the tax otherwise due on the rental receipts from such property for the reporting period. The credit shall expire when the cumulative rental receipts both before, on and after September 1, 1969, equal the sales price upon which his vendor paid sales taxes to this state. Similarly if a purchaser of tangible personal property before or after such change has reimbursed his vendor for sales tax on the sale to him and subsequently, prior to making any use of the property other than retention, demonstration or display while holding it for sale or rental, makes a taxable sale of such property, the tax due on such taxable sale may be offset by the tax reimbursed.

(d) The department may, in cases where it is satisfied that an undue hardship would otherwise result, permit the reporting of "gross receipts" on some basis other than the accrual basis.

(12) (a) "Sales price" means the total amount for which tangible personal property is sold, leased or rented, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:

1. The cost of the property sold;
2. The cost of the materials used, labor or service cost, losses or any other expenses;

3. The cost of transportation of the property prior to its purchase;

4. Any tax included in or added to the purchase price including the taxes imposed by ss. 78.01, 78.40, 139.02, 139.03, 139.31 and 139.60 and the federal motor fuel tax and including also any manufacturers' or importers' excise tax; but not including any tax imposed by the United States, any other tax imposed by this state, or any tax imposed by any municipality of this state upon or with respect to retail sales whether imposed on the retailer or consumer, if measured by a stated percentage of sales price or gross receipts, and not including the federal communications tax imposed upon the services set forth in s. 77.52 (2) (a) 3 and 4.

(b) "Sales price" shall not include any of the following:

1. Cash discounts allowed and taken on sales;

2. The amount charged for property returned by customers when that entire amount is refunded either in cash or credit;

3. Transportation charges separately stated, if the transportation occurs after the purchase of the property is made.

4. In all transactions in which an article of tangible personal property is traded toward the purchase of an article of greater value, the sales price shall be only that portion of the purchase price represented by the difference between the full purchase price of the article of greater value and the amount allowed for the article traded.

(c) "Sales price" includes all of the following:

1. Any services that are a part of the sale of tangible personal property;

2. The amount charged for labor or services rendered in installing or applying tangible personal property sold, except the price received for installing or applying property which, when installed or applied, will constitute an addition or capital improvement of real property and provided such amount is separately set forth from the amount charged for the tangible personal property.

(13) "Purchase" includes:

(a) Any transfer of title, possession, ownership, enjoyment, or use by: cash or credit transaction, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatever of tangible personal property for a consideration;

(b) A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price.

(14) "Storage" includes any keeping or retention in this state for any purpose except sales in the regular course of business or subsequent use

solely outside this state of tangible personal property purchased from a retailer.

(15) "Use" includes the exercise of any right or power over tangible personal property incident to the ownership, possession or enjoyment of that property, including installation or affixation to real property and including the possession of, or the exercise of any right or power over tangible personal property by a lessee under a lease, except that it does not include the sale or rental of that property in the regular course of business.

(16) "Storage" and "use" do not include the keeping, retaining or exercising any right or power over tangible personal property for the purpose of subsequently transporting it outside the state for use thereafter solely outside the state, or for the purpose of being processed, fabricated, or manufactured into, attached to or incorporated into other property to be transported outside the state and thereafter used solely outside the state.

(17) The sales tax applies to the receipts of operators of vending machines located on army, navy or air force installations in this state and dispensing tangible personal property. This subsection shall not be deemed to require payment of sales tax measured by receipts of such operators who lease the machines to exchanges of the army, air force, navy or marine corps which acquire title to and sell the merchandise through the machines to authorized purchasers from such exchanges. The term "operator" as used in this subsection, means any person who owns or possesses vending machines and who controls the operations of the machines as by placing the merchandise therein or removing the coins therefrom, and who has access thereto for any purpose connected with the sale of merchandise through the machines, and whose compensation is based, in whole or in part, upon receipts from sales made through such machines.

(18) "Contractors" and "subcontractors" are the consumers of tangible personal property used by them in real property construction activities and the sales and use tax applies to the sale of tangible personal property to them. A contractor engaged primarily in real property construction activities may use resale certificates only with respect to purchases of property which he has sound reason to believe he will sell to customers for whom he will not perform real property construction activities involving the use of such property.

(19) "Department" means the department of revenue, its duly authorized employes and agents.

(20) "Taxpayer" means the person required to pay, collect, account for or who is otherwise directly interested in the taxes imposed by this subchapter.

(21) "Medicines" as used in s. 77.54 (14) means any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease and which is commonly recognized as a substance or preparation intended for such use; but "medicines" do not include:

(a) Any auditory, prosthetic, ophthalmic or ocular device or appliance.

(b) Articles which are in the nature of splints, bandages, pads, compresses, supports, dressings, instruments, apparatus, contrivances, appliances, devices or other mechanical, electronic, optical or physical equipment or article or the component parts or accessories thereof.

(c) Any alcoholic beverage the manufacture, sale, purchase, possession or transportation of which is licensed or regulated under the laws of this state.

(22) For purposes of s. 77.54 (14), insulin furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed dispensed on prescription.

(22m) For purposes of s. 77.54 (14) hospital has the meaning ascribed to it in s. 140.24 (1).

(23) "Lease" includes rental, hire and license.

(24) With respect to the services covered by s. 77.52 (2), no part of the charge for the service may be deemed a sale or rental of tangible personal property.

(25) "Printing" and "imprinting" include lithography, photolithography, rotogravure, gravure, letterpress, silk screen printing, multilithing, multigraphing, mimeographing, photostating, steel die engraving and similar processes.

(26) For purposes of subs. (11) (a) 4 and (12) (a) 4 a tax shall be deemed "imposed upon or with respect to retail sales" only if the retailer is the person who is required to make the payment of the tax to the governmental unit levying the tax.

(27) For purposes of s. 77.54 (6) (a) "manufacturing" is the production by machinery of a new article with a different form, use and name from existing materials by a process popularly regarded as manufacturing.

#### 77.52 Imposition of selective retail sales tax.

(1) For the privilege of selling, leasing or renting tangible personal property, including accessories, components, attachments, parts, supplies and materials, at retail a tax is hereby

imposed upon all retailers at the rate of 3% of the gross receipts from the sale, lease or rental of tangible personal property, including accessories, components, attachments, parts, supplies and materials, sold, leased or rented at retail in this state on or after February 1, 1962; but beginning on September 1, 1969 the rate of the tax hereby imposed shall be 4%.

(2) For the privilege of selling, performing or furnishing the services herein described at retail in this state to consumers or users, a tax is hereby levied and imposed upon all persons selling, performing, or furnishing such services at the rate of 3% of the gross receipts from the sale, performance, or furnishing of such services on or after February 1, 1962; but beginning on September 1, 1969 the rate of the tax hereby imposed shall be 4%.

(a) The tax imposed herein applies to the following types of services:

1. The furnishing of rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. As used in this paragraph, "transient" means any person residing for a continuous period of less than one month in a hotel, motel or other furnished accommodations available to the public. As used in this paragraph, "hotel" or "motel" means a building or group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins and any other building or group of buildings in which accommodations are available to the public, except accommodations rented for a continuous period of more than one month and accommodations furnished by any hospitals, sanatoriums, or nursing homes, or by corporations or associations organized and operated exclusively for religious, charitable or educational purposes provided that no part of the net earnings of such corporations and associations inures to the benefit of any private shareholder or individual;

2. The sale of admissions to places of amusement, athletic entertainment or recreational events or places and the furnishing, for dues, fees or other considerations, the privilege of access to clubs or the privilege of having access to or the use of amusement, entertainment, athletic or recreational devices or facilities.

3. The sale of intrastate telegraph services;

4. The sale of local flat rate and local basic measured rate telephone services billed on a pe-

riodic, recurring basis and toll charges for intrastate telephone calls, except messages from coin-operated telephones.

6. Laundry, dry cleaning, pressing and dyeing services, except when performed on raw materials or goods in process destined for sale and except when the service is performed by the customer through the use of coin-operated, self-service machines.

7. Photographic services including the processing, printing and enlarging of film as well as the service of photographers for the taking, reproducing and sale of photographs.

9. Parking or providing parking space for motor vehicles and aircraft for a consideration and docking or providing storage space for boats for a consideration, except when provided by a governmental unit.

10. Except for installing or applying tangible personal property which, when installed or applied, will constitute an addition or capital improvement of real property, the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection and maintenance of all items of tangible personal property unless, at the time of such repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection or maintenance, a sale in this state of the type of property repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected or maintained would have been exempt to the customer from sales taxation under this subchapter. For purposes of this paragraph, the following items shall be deemed to have retained their character as tangible personal property, regardless of the extent to which any such item is fastened to, connected with or built into real property: furnaces, boilers, stoves, ovens, including associated hoods and exhaust systems, heaters, air conditioners, humidifiers, dehumidifiers, refrigerators, coolers, freezers, water pumps, water heaters, water conditioners and softeners, clothes washers, clothes dryers, dishwashers, garbage disposal units, radios and radio antennas, incinerators, television receivers and antennas, record players, tape players, juke boxes, vacuum cleaners, furniture and furnishings, carpeting and rugs, bathroom fixtures, sinks, awnings, blinds, gas and electric logs, heat lamps, electronic dust collectors, grills and rotisseries, bar equipment, intercoms, recreational, sporting, gymnasium and athletic goods and equipment including by way of illustration but not of limitation bowling alleys, golf practice equipment, pool tables, punching bags, ski tows and swimming pools; office, restaurant and tavern type equipment including by way of illustration but not of limitation lamps, chandeliers, and

fans, venetian blinds, canvas awnings, office and business machines, ice and milk dispensers, beverage-making equipment, vending machines, soda fountains, steam warmers and tables, compressors, condensing units and evaporative condensers, pneumatic conveying systems; laundry, dry cleaning, and pressing machines, power tools, burglar alarm and fire alarm fixtures, electric clocks and electric signs. "Service" does not include services performed by veterinarians.

11. The producing, fabricating, processing, printing or imprinting of tangible personal property for a consideration for consumers who furnish directly or indirectly the materials used in the producing, fabricating, processing, printing or imprinting. This subdivision does not apply to the printing or imprinting of tangible personal property which will be subsequently transported outside the state for use outside the state by the consumer for advertising purposes.

(3) The taxes imposed by this section may be collected from the consumer or user.

(4) It is unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property sold or that if added it, or any part thereof, will be refunded. Any person who violates this subsection is guilty of a misdemeanor.

(5) The department may by rule provide that the amount collected by the retailer from the consumer or user in reimbursement of the retailer's tax be displayed separately from the list price, the price advertised in the premises, the marked price, or other price on the sales check or other proof of sale.

(6) A retailer is relieved from liability for sales tax insofar as the measure of the tax is represented by accounts which have been found to be worthless and charged off for income tax purposes. If the retailer has previously paid the tax, he may, under rules prescribed by the department, take as a deduction from the measure of the tax the amount found worthless and charged off for income tax purposes. If any such accounts are thereafter collected in whole or in part by the retailer, the amount as collected shall be included in the first return filed after such collection and the tax paid with the return.

(7) Every person desiring to operate as a seller within this state shall file with the department an application for a permit for each place of operations. Every application for a permit shall be made upon a form prescribed by the department and shall set forth the name under which the applicant intends to operate, the location of his

place of operations, and such other information as the department requires. The application shall be signed by the owner if a sole proprietor; in the case of sellers other than sole proprietors, the application shall be signed by the person authorized to act on behalf of such sellers.

(8) At the time of making an application the applicant shall pay to the department a permit fee of \$2 for each permit.

(9) After compliance with subs. (7) and (8) and s. 77.61 (2) by the applicant, the department shall grant and issue to each applicant a separate permit for each place of operations within the state. A permit is not assignable and is valid only for the person in whose name it is issued and for the transaction of operations at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

(10) A seller whose permit has been previously suspended or revoked shall pay the department a fee of \$2 for the renewal or issuance of a permit.

(11) Whenever any person fails to comply with any provision of this subchapter relating to the sales tax or any rule of the department relating to the sales tax adopted under this subchapter, the department upon hearing, after giving the person 10 days' notice in writing specifying the time and place of hearing and requiring him to show cause why his permit should not be revoked, may revoke or suspend any one or more of the permits held by the person. The department shall give to the person written notice of the suspension or revocation of any of his permits. The notices herein required may be served personally or by mail in the manner prescribed for service of notice of a deficiency determination. The department shall not issue a new permit after the revocation of a permit unless it is satisfied that the former holder of the permit will comply with the provisions of this subchapter and the rules of the department relating to the sales tax.

(12) A person who operates as a seller in this state without a permit or after a permit has been suspended, and each officer of any corporation, partnership member or other person authorized to act on behalf of a seller who so operates, is guilty of a misdemeanor. Permits shall be held only by persons actively operating as sellers of tangible personal property or taxable services. Any person not so operating shall forthwith surrender his permit to the department for cancellation. The department may revoke the permit of a person found not to be actively operating as a seller of tangible personal property or taxable services.

(13) For the purpose of the proper administration of this section and to prevent evasion of the sales tax it shall be presumed that all receipts are subject to the tax until the contrary is established. The burden of proving that a sale of tangible personal property or services is not a taxable sale at retail is upon the person who makes the sale unless he takes from the purchaser a certificate to the effect that the property or service is purchased for resale or is otherwise exempt.

(14) The certificate referred to in sub. (13) relieves the seller from the burden of proof only if a) taken in good faith from a person who is engaged as a seller of tangible personal property or taxable services and who holds the permit provided for in sub. (9) and who, at the time of purchasing the tangible personal property or services, intends to sell it in the regular course of operations or is unable to ascertain at the time of purchase whether the property or service will be sold or will be used for some other purpose, or b) if taken in good faith from a person claiming exemption. The certificate shall be signed by and bear the name and address of the purchaser, and shall indicate the general character of the tangible personal property or service sold by the purchaser and the basis for the claimed exemption. The certificate shall be in such form as the department prescribes.

(15) If a purchaser who gives a resale certificate makes any use of the property other than retention, demonstration or display while holding it for sale, lease or rental in the regular course of his operations, the use shall be taxable to the purchaser under s. 77.53 as of the time the property is first used by him, and the sales price of the property to him shall be the measure of the tax. Only when there is an unsatisfied use tax liability on this basis shall the seller be liable for sales tax with respect to the sale of the property to the purchaser.

(16) Any person who gives a resale certificate for property or services which he knows at the time of purchase is not to be resold by him in the regular course of his operations as a seller for the purpose of evading payment to the seller of the amount of the tax applicable to the transaction is guilty of a misdemeanor. Any person certifying to the seller that the sale of property or taxable service is exempt, knowing at the time of purchase that it is not exempt, for the purpose of evading payment to the seller of the amount of the tax applicable to the transaction, is guilty of a misdemeanor.

(17) If a purchaser gives a certificate with respect to the purchase of fungible goods and thereafter commingles these goods with other

fungible goods not so purchased but of such similarity that the identity of the constituent goods in the commingled mass cannot be determined, sales from the mass of commingled goods shall be deemed to be sales of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold.

(18) If any retailer liable for any amount of tax under this subchapter sells out his business or stock of goods or quits the business, his successors or assigns shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the department that it has been paid or a certificate stating that no amount is due.

(a) If the purchaser of a stock of goods fails to withhold from the purchase price as required, he becomes personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price valued in money. Within 60 days after receiving a written request from the purchaser for a certificate, or within 60 days from the date the former owner's records are made available for audit, whichever period expires later, but in any event not later than 90 days after receiving the request, the department shall either issue the certificate or mail notice to the purchaser at his address as it appears on the records of the department of the amount that must be paid as a condition of issuing the certificate. Failure of the department to mail the notice will release the purchaser from any further obligation to withhold the purchase price as above provided. The obligation of the successor may be enforced within 4 years of the time the retailer sells out his business or stock of goods or at the time that the determination against the retailer becomes final, whichever event occurs later.

(19) The department shall by rule provide for the efficient collection of the taxes imposed by this subchapter on sales of property or services by persons not regularly engaged in selling at retail in this state or not having a permanent place of business, but who are temporarily engaged in selling from trucks, portable roadside stands, concessions at fairs and carnivals, and the like. The department may authorize such persons to sell property or sell, perform or furnish services on a permit or nonpermit basis as the department by rule prescribes and failure of any person to comply with such rules constitutes a misdemeanor.

**77.53 Imposition of use tax.** (1) An excise tax is hereby levied and imposed on the storage, use or other consumption in this state of tangi-

ble personal property or taxable services described in s. 77.52 purchased from any retailer on or after February 1, 1962, at the rate of 3% of the sales price of the property or taxable services; but beginning on September 1, 1969 the rate of the tax hereby imposed shall be 4%.

(2) Every person storing, using or otherwise consuming in this state tangible personal property purchased from a retailer is liable for the tax imposed by this section. His liability is not extinguished until the tax has been paid to this state, but a receipt with the tax separately stated from a retailer engaged in business in this state or from a retailer who is authorized by the department, under such rules as it prescribes, to collect the tax and who is regarded as a retailer engaged in business in this state for purposes of the tax imposed by this section given to the purchaser pursuant to sub. (3) is sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

(3) Every retailer engaged in business in this state and making sales of tangible personal property for delivery into this state or with knowledge directly or indirectly that the property is intended for storage, use or other consumption in this state, shall, at the time of making the sales or, if the storage, use or other consumption of the tangible personal property is not then taxable hereunder, at the time the storage, use or other consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a receipt therefor in the manner and form prescribed by the department. "Retailer engaged in business in this state", unless otherwise limited by federal statute, means any of the following:

(a) Any retailer owning any real property in this state or leasing or renting out any tangible personal property located in this state or maintaining, occupying or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place or other place of business in this state.

(b) Any retailer having any representative, agent, salesman, canvasser or solicitor operating in this state under the authority of the retailer or its subsidiary for the purpose of selling, delivering or the taking of orders for any tangible personal property.

(4) A retailer is relieved from liability to collect use tax insofar as the measure of the tax is represented by accounts which have been found to be worthless and charged off for income tax purposes. If the retailer has previously paid the amount of the tax, he may, under rules prescribed by the department, take as a deduction

from the measure of the tax the amount found worthless and charged off for income tax purposes. If any such accounts are thereafter in whole or in part collected by the retailer, the amount so collected shall be included in the first return filed after such collection and the amount of the tax thereon paid with the return.

(5) The tax required to be collected by the retailer constitutes a debt owed by the retailer to the state.

(7) The tax required to be collected by the retailer from the purchaser shall be displayed separately from the list price, the price advertised in the premises, the marked price, or other price on the sales check, invoice or other proof of sale.

(8) Any person violating sub. (3) or (7) is guilty of a misdemeanor.

(9) Every retailer selling tangible personal property for storage, use or other consumption in this state shall register with the department and give the name and address of all agents operating in this state, the location of all distribution or sales houses or offices or other places of business in this state, and such other information as the department requires.

(9m) Any person who is not otherwise required to collect any tax imposed by this subchapter and who makes sales to persons within this state of tangible personal property or taxable services the use of which is subject to tax under this subchapter may, if he so elects, register with the department, under such terms and conditions as the department imposes, and thereby be authorized and required to collect, report and remit to the department the use tax imposed by this subchapter.

(10) For the purpose of the proper administration of this section and to prevent evasion of the use tax and the duty to collect the use tax, it is presumed that tangible personal property or taxable services sold by any person for delivery in this state is sold for storage, use or other consumption in this state until the contrary is established. The burden of proving the contrary is upon the person who makes the sale unless he takes from the purchaser a certificate to the effect that the property or taxable service is purchased for resale, or otherwise exempt from the tax.

(11) The certificate referred to in sub. (10) relieves the person selling the property from the burden of proof only if a) taken in good faith from a person who is engaged as a seller of tangible personal property or taxable services and who holds the permit provided for by s. 77.52 (9) and who, at the time of purchasing the tangible personal property or taxable service, intends to

sell it in the regular course of operations or is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose, or b) if taken in good faith from a person claiming exemption. The certificate shall be signed by and bear the name and address of the purchaser, shall indicate the number of the permit issued to the purchaser and the general character of tangible personal property or taxable service sold by the purchaser and the basis for the claimed exemption. The certificate shall be substantially in such form as the department prescribes.

(12) If a purchaser who gives a certificate makes any storage or use of the property other than retention, demonstration or display while holding it for sale in the regular course of operations as a seller, the storage or use is taxable as of the time the property is first so stored or used.

(13) If a purchaser gives a certificate with respect to the purchase of fungible goods and thereafter commingles these goods with other fungible goods not so purchased but of such similarity that the identity of the constituent goods in the commingled mass cannot be determined sales from the mass of commingled goods shall be deemed to be sales of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold.

(14) It is presumed that tangible personal property shipped or brought to this state by the purchaser on or after February 1, 1962, was purchased from or serviced by a retailer on or after February 1, 1962.

(15) On and after February 1, 1962, it shall be further presumed that tangible personal property delivered outside this state to a purchaser known by the retailer to be a resident of this state was purchased from a retailer for storage, use or other consumption in this state and stored, used or otherwise consumed in this state. This presumption may be controverted by a statement in writing, signed by the purchaser or his authorized representative, and retained by the seller that the property was purchased for use at a designated point outside this state. This presumption may also be controverted by other evidence satisfactory to the department that the property was not purchased for storage, use or other consumption in this state.

(16) If the purchase, rental or lease of tangible personal property subject to the tax imposed by this section was subject to a sales tax by another state or the District of Columbia in which said purchase was made, the amount of such sales tax so paid such other state shall be applied as a credit against and deducted from the tax, to the

extent thereof, imposed by this section. For purposes of this subsection, "sales tax" shall include a use or excise tax imposed on the use of tangible personal property by the state in which the sale occurred.

(17) This section shall not apply to tangible personal property purchased outside this state (other than motor vehicles, boats and airplanes registered or required to be registered in this state) and brought into this state by a non-domiciliary for his own storage, use or other consumption while temporarily within this state when such property is not stored, used or otherwise consumed in this state in the conduct of a trade, occupation, business or profession or in the performance of personal services for wages or fees.

(18) This section shall not apply to the storage, use or other consumption in this state of household goods for personal use, including motor vehicles, purchased by a nondomiciliary of this state outside this state 90 days or more before bringing such goods into this state in connection with a change of domicile to this state, when such goods are brought into this state on or after September 1, 1969.

History: 1971 c. 125, 211.

**77.54 General exemptions.** There are exempted from the taxes imposed by this subchapter:

(1) The gross receipts from the sale of and the storage, use or other consumption in this state of tangible personal property and services the gross receipts from the sale of which, or the storage, use or other consumption of which, this state is prohibited from taxing under the constitution or laws of the United States or under the constitution of this state.

(2) The gross receipts from sales of and the storage, use or other consumption of tangible personal property becoming an ingredient or component part of an article of tangible personal property or which is consumed or destroyed or loses its identity in the manufacture of tangible personal property in any form destined for sale, but this exemption shall not include fuel or electricity.

(3) The gross receipts from the sales of and the storage, use or other consumption of tractors and machines, including accessories, attachments, fuel and parts therefor, used directly in farming, including dairy farming, agriculture, horticulture or floriculture, but excluding automobiles, trucks, and other motor vehicles for highway use, when engaged in by the purchaser or user as a business enterprise, but the purchaser of property exempt under this subsection shall

be liable for use tax on the sales price of such property at the time any more than nominal other use, including job contracting, is made of such property.

(3m) The gross receipts from sales of and the storage, use or other consumption of seeds for planting, plants, feed, fertilizer, soil conditioners, sprays, pesticides, fungicides, breeding and other livestock, poultry, farm work stock, and containers for fruits, vegetables and grain used exclusively in farming, including dairy farming, agriculture, horticulture or floriculture when engaged in by the purchaser or user as a business enterprise.

(4) Gross receipts from the sale of tangible personal property, and the storage, use or other consumption in this state of tangible personal property which is the subject of any such sale, by any elementary school, secondary school or vocational, technical and adult education school, exempted as such from payment of income tax under ch. 71, whether public or private.

(5) The gross receipts from the sale of and the storage, use or other consumption of:

(a) Aircraft, including accessories, attachments, fuel and parts therefor, sold to persons using such aircraft as certified or licensed carriers of persons or property in interstate or foreign commerce under authority of the laws of the United States or any foreign government, or sold to any foreign government for use by such government outside this state and aircraft, motor vehicles or truck bodies sold to persons who are not residents of this state and who will not use such aircraft, motor vehicles or trucks for which the truck bodies were made in this state otherwise than in the removal of such aircraft, motor vehicles or trucks from this state.

(b) Motor trucks, truck tractors, road tractors, busses, trailers and semitrailers, and accessories, attachments, parts, supplies and materials therefor, sold to common or contract carriers who use such motor trucks, truck tractors, road tractors, busses, trailers and semitrailers exclusively as common or contract carriers, including the urban mass transportation of passengers as defined in s. 71.18 (2) (a).

(6) The gross receipts from the sale of and the storage, use or other consumption of:

(a) Machines and specific processing equipment and repair parts or replacements thereof, exclusively and directly used by a manufacturer in manufacturing tangible personal property.

(b) Containers, labels, sacks, cans, boxes, drums, bags or other packaging and shipping materials for use in packing, packaging or shipping tangible personal property, provided such items are used by the purchaser to transfer merchandise to his customers.

(c) Coal, oil, gas and nuclear material converted to electric energy, gas or steam by utilities.

(7) The occasional sales of tangible personal property and services and the storage, use or other consumption in this state of tangible personal property, the transfer of which to the purchaser is an occasional sale, except that the exemption herein provided shall, in the case of motor vehicles, boats or aircraft registered or required to be registered in this state, be limited to motor vehicles, boats or aircraft transferred to the spouse, mother, father or child of the transferor and then only if such motor vehicle, boat or aircraft has been previously registered in this state in the name of the transferor and the person selling is not engaged in the business of selling the type of property for which exemption is claimed.

(8) Charges for interest, financing or insurance where such charges are separately set forth upon the invoice given by the seller to the purchaser.

(9) The gross receipts from sales of tickets or admissions to public and private elementary and secondary school activities, where the entire net proceeds therefrom are expended for educational, religious or charitable purposes.

(9a) The gross receipts from sales to, and the storage, use or other consumption of tangible personal property, including accessories, parts and supplies, and services by this state or any agency thereof, or any county, municipality as defined in s. 41.02 (4), school district or other political subdivision; any corporation, community chest fund, foundation or association organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder, shareholder, member or corporation.

(11) The gross receipts from the sales of and the storage, use or other consumption in this state of motor fuel or special fuel, subject to taxation under ch. 78, regardless of whether refundable pursuant to s. 78.75.

(12) The gross receipts from the sales of and the storage, use or other consumption in this state of rail freight or passenger cars, locomotives or other rolling stock used in railroad operations, or accessories, attachments, parts or fuel therefor.

(13) The gross receipts from the sales of and the storage, use or other consumption in this state of commercial vessels and barges of 50-ton burden or over primarily engaged in interstate or foreign commerce or commercial fishing, and the accessories, attachments, parts and fuel therefor.

(14) The gross receipts from the sales of and the storage, use or other consumption in this state of medicines:

(a) Prescribed for the treatment of a human being by a person authorized to prescribe the medicines, and dispensed on prescription filled by a registered pharmacist in accordance with law;

(b) Furnished by a licensed physician, surgeon, podiatrist or dentist to his own patient for treatment of the patient;

(c) Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, surgeon, podiatrist or dentist;

(d) Sold to a licensed physician, surgeon, podiatrist, dentist or hospital for the treatment of a human being; or

(e) Sold to this state or any political subdivision or municipal corporation thereof, for use in the treatment of a human being; or furnished for the treatment of a human being by a medical facility or clinic maintained by this state or any political subdivision or municipal corporation thereof.

(15) The gross receipts from the sale of and the storage, use or other consumption of newspapers and periodicals regularly issued at average intervals not exceeding 3 months.

(16) The gross receipts from the sale of and the storage, use or other consumption of fire trucks and fire fighting equipment, including accessories, attachments, parts and supplies therefor, sold to volunteer fire departments.

(17) The gross receipts from the sales of and the storage, use or other consumption of water when delivered through mains.

(18) The sale of material purchased by persons engaged in the business of constructing, altering, repairing or improving real estate for others when the material so purchased by such persons is affixed and made a structural part of real estate or used and completely consumed in the fulfillment of a written contract or formal written bid, which contract was entered into or which bid was made before September 1, 1969, shall be exempt from taxation under this subchapter, but only with respect to material which did not constitute taxable tangible personal property for purposes of the Wisconsin selective sales and use tax law.

(19) When the lease or rental of an item of property or service was previously exempt from taxation or not taxed under this subchapter and subsequently becomes taxable hereunder and as of the date it becomes taxable the item is under an existing lease pursuant to which the lessor is unconditionally obligated to lease the property

for an amount fixed in such existing lease, the lessor shall be exempt from sales tax on the rental receipts until such lease is terminated, extended, renewed or modified. During such period, however, the lessee shall be subject to use tax measured by his rental payments under such lease.

(20) Except as provided in par. (c), there are exempt from the taxes imposed by this subchapter the gross receipts from the sales of, and the storage, use or other consumption of, food, food products and beverages for human consumption.

(a) "Food", "food products" and "beverages" include, by way of illustration and not of limitation, milk and milk products, cereal and cereal products (meal, grits, flour, bread and other bakery products), meats and meat products, fish and fish products, seafoods, poultry and poultry products, vegetables and vegetable juices, fruits and fruit juices as defined in ch. 97 [Stats. 1967], canned goods (including jams, jellies and preserves), nuts, berries, melons, sugar, salt, coffee, coffee substitutes, tea, cocoa, condiments, spices, spreads, relishes, desserts, flavoring, oleomargarine, shortening, candy, confections, dietary foods, health supplements, or any combination of the above.

(b) "Food", "food products" and "beverages" do not include:

1. Medicines, tonics, vitamins and medicinal preparations in any form.

2. Fermented malt beverages as defined in s. 66.054 (1) (j).

3. Intoxicating liquors as defined in s. 139.01 (4).

4. Soda water beverages as defined in ch. 97, bases, concentrates and powders intended to be reconstituted by consumers to produce soft drinks, and fruit drinks and ades not defined as fruit juices in ch. 97 [Stats. 1967].

(c) 1. The gross receipts from sales of meals, food, food products and beverages sold by any person, organization or establishment for direct consumption on the premises are taxable, except as provided in subd. 4.

2. The gross receipts from sales by any person, organization or establishment of the following items for off-premises consumption are taxable:

a. Meals and sandwiches, whether heated or not.

b. Heated food or heated beverages.

c. Soda fountain items such as sundaes, milk shakes, malts, ice cream cones and sodas.

d. Candy, chewing gum, lozenges, popcorn and confections.

3. Taxable gross receipts shall include cover, minimum, entertainment, service or other charges made to patrons or customers.

4. Taxable sales shall not include meals, food, food products or beverages sold by hospitals, sanitoriums, nursing homes, day care centers registered under ch. 48, nor to such items when furnished by a public or private institution of higher education in accordance with any contract or agreement made or executed on or before October 1, 1969. The cost of this act shall be funded from appropriations made to the board on government operations for the state universities and university of Wisconsin, by chapter 154, laws of 1969.

5. For purposes of subd. 1, "premises" shall be construed broadly, and, by way of illustration but not limitation, shall include the lobby, aisles and auditorium of a theater or the seating, aisles and parking area of an arena, rink or stadium or the parking area of a drive-in or outdoor theater. The premises of a caterer with respect to catered meals or beverages shall be the place where served. Vending machine premises shall include the room or area in which located.

(21) The gross receipts from the sales of and the storage, use or other consumption of caskets and burial vaults for human remains.

(22) The gross receipts from the sales of or the storage, use or other consumption of:

(a) Artificial devices individually designed, constructed or altered solely for the use of a particular crippled person so as to become a brace, support, supplement, correction or substitute for the bodily structure including the extremities of the individual.

(b) Artificial limbs, artificial eyes, hearing aids and other equipment worn as a correction or substitute for any functioning portion of the body.

(c) Artificial teeth sold by a dentist.

(d) Eye glasses when especially designed or prescribed by an ophthalmologist, physician, oculist or optometrist for the personal use of the owner or purchaser.

(e) Crutches and wheelchairs for the use of invalids and crippled persons.

(23) The gross receipts from the sale of or the storage, use or other consumption of cigarettes.

(23m) The gross receipts from the sale, lease or rental of or the storage, use or other consumption of motion picture film or tape, and advertising materials related thereto, sold, leased or rented to a motion picture theater or radio or television station.

(24) The gross receipts from the sale of and the storage, use or other consumption of ap-

paratus, equipment and electrical instruments, other than station equipment, in central offices of telephone companies, used in transmitting traffic and operating signals.

(25) The gross receipts from the sale of and the storage of printed material which is designed to advertise and promote the sale of merchandise, or to advertise the services of individual business firms, which printed material is purchased and stored for the purpose of subsequently transporting it outside the state by the purchaser for use thereafter solely outside the state.

(27) The gross receipts from the sale of semen used for artificial insemination of livestock.

History: 1971 c. 64, 154, 215, 311.

#### 77.55 Exemptions from sales tax. (1)

There are exempted from the computation of the amount of the sales tax the gross receipts from the sale of any tangible personal property or services to:

(a) The United States, its unincorporated agencies and instrumentalities;

(b) Any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

(2) There are exempted from the computation of the amount of the sales tax the gross receipts from sales of tangible personal property to a common or contract carrier, shipped by the seller via the purchasing carrier under a bill of lading whether the freight is paid in advance, or the shipment is made freight charges collect, to a point outside this state and the property is actually transported to the out-of-state destination for use by the carrier in the conduct of its business as a carrier.

(3) There are exempted from the computation of the amount of the sales tax the gross receipts from sales of tangible personal property purchased for use solely outside this state and delivered to a forwarding agent, export packer, or other person engaged in the business of preparing goods for export or arranging for their exportation, and actually delivered to a port outside the continental limits of the United States prior to making any use thereof.

**77.56 Exemptions from use tax.** (1) The storage, use or other consumption in this state of property, the gross receipts from the sale of which are reported to the department in the measure of the sales tax, is exempted from the use tax.

(2) The loan by an automobile dealer of a motor vehicle to any school or school district for a driver training educational program conduct-

ed by the school or school district is exempt from the use tax. If the dealer makes any other use of the vehicle except retention, demonstration or display while holding it for sale in the regular course of business, the use is taxable to the dealer under s. 77.53 as of the time the property is first so used, and the sales price of the vehicle to the dealer is the measure of the tax.

**77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller that the property purchased will be used in a manner or for a purpose entitling the seller to regard the gross receipts from the sale as exempted by this subchapter from the computation of the amount of the sales tax, and uses the property in some other manner or for some other purpose, the purchaser shall be liable for payment of tax. The tax shall be measured by the sales price of the property to the purchaser, but if the taxable use first occurs more than 6 months after the sale to the purchaser, he may use as the measure of the tax either such sales price or the fair market value of the property at the time the taxable use first occurs.

**77.58 Returns and payments.** (1) The taxes imposed by this subchapter from February 1, 1962, to March 31, 1962, are due and payable to the department on April 20, 1962. The taxes imposed for the month of April 1962, and for each month thereafter through the month of June 1963 are due and payable on the 20th of the month next succeeding the month for which imposed. The taxes imposed for the months of July, August and September of 1963, and for each calendar quarter thereafter through December 1963 are due and payable on the 20th of the month next succeeding the calendar quarter for which imposed. The taxes imposed for the months of January, February and March 1964, and for each calendar quarter thereafter are due and payable on the last day of the month next succeeding the calendar quarter for which imposed except that effective July 1, 1967, if the amount of tax for any calendar quarter ended before or after such date exceeded \$500, the department may require by written notice to the taxpayer that the taxes imposed on and after the date specified in such notice are due and payable on the last day of the month next succeeding the calendar month for which imposed.

(2) On or before April 20, 1962, a return for the period from February 1, 1962, to March 31, 1962, shall be filed with the department. On or before May 20, 1962, a return shall be filed for the month of April 1962 and a return shall be filed thereafter by the 20th day of each month for taxes imposed for the preceding month up to

and including the taxes imposed for the month of June 1963. On or before October 20, 1963, a return shall be filed for the months of July, August and September of 1963, and a return shall be filed thereafter by the 20th day of the month next succeeding each calendar quarter through December 1963 for taxes imposed for the preceding calendar quarter. On or before April 30, 1964, a return shall be filed for January, February and March 1964, and a return shall be filed thereafter by the last day of the month next succeeding each calendar quarter for taxes imposed for the preceding calendar quarter except that if payments are required to be made monthly pursuant to sub. (1), a return shall be filed by the last day of the month next succeeding each calendar month for taxes imposed for the preceding calendar month.

(a) In addition to any other returns, each retailer shall also file an "annual information return" covering the preceding calendar year or fiscal year if the retailer files his Wisconsin income tax return on that basis. Such return shall be due on the due date of the retailer's Wisconsin income tax return and, if exempt therefrom, on or before the 15th day of the 4th month of the year following the close of the calendar or fiscal year. The total annual receipts of the business as reported on the income tax return, and as reported for sales tax purposes, must be shown and any difference reconciled but such reconciliation shall not apply to a corporation authorized to do and doing business in 2 or more states. All deductions and exemptions claimed to arrive at sales subject to tax must be itemized. Additional information may be required when deemed necessary by the department for the proper administration of the law. Overpayments or underpayments of tax disclosed by such return are subject to interest from the due date of the monthly or quarterly return. Any person failing to file such return on or before the due date shall be assessed a penalty of \$5 and any person failing to file such return within 60 days of receipt of a notice to file from the department shall be assessed an additional penalty of \$25, which penalties may be collected as sales taxes are collected.

(3) For purposes of the sales tax a return shall be filed by every seller. For purposes of the use tax a return shall be filed by every retailer maintaining a place of business in the state and by every person purchasing tangible personal property, the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax due to a retailer required to collect the tax. Returns shall be signed by the person required to file the return or by his duly authorized agent but need not be verified by oath.

(a) For purposes of the sales tax the return shall show the gross receipts of the seller during the preceding reporting period. For purposes of the use tax, in case of a return filed by a retailer, the return shall show the total sales price of the property sold by him the storage, use or consumption of which property became subject to the use tax during the preceding reporting period, in case of a return filed by a purchaser, the return shall show the total sales price of the property purchased by him, the storage, use or consumption of which became subject to the use tax during the preceding reporting period. The return shall also show the amount of the taxes for the period covered by the return and such other information as the department deems necessary for the proper administration of the subchapter.

(4) The person required to file the return shall deliver the return together with a remittance of the amount of the tax due to the office of the department or such other place as the department designates.

(5) The department, if it deems it necessary in order to insure payment to or facilitate the collection by the state of the amount of taxes, may require returns and payments of the amount of taxes for other than quarterly periods. The department may, when satisfied that the revenues will be adequately safeguarded, permit returns and payments of the amount of taxes for other than quarterly periods. Such returns or payments shall be due or payable by the last day of the month next succeeding the end of such reporting or paying period, but any person who discontinues his business prior to the end of a reporting period shall, within 30 days of such discontinuance, file a return and make payment of the taxes due from the beginning of such reporting period. If a business is discontinued and a final report thereon has been made covering all payments due or refunds claimed as provided in this section, the account shall be closed, the sale permit terminated and, notwithstanding any other provisions of this section, no further reports shall be required.

(6) For the purposes of the sales tax gross receipts from rentals or leases of tangible personal property shall be reported and the tax paid in accordance with such rules as the department prescribes.

(7) The department for good cause may extend for not to exceed one month the time for making any return or paying any amount required to be paid by this subchapter. The extension may be granted at any time provided a request therefor is filed with the department within or prior to the period for which the extension is requested.

(8) In any case in which a retailer who has accepted a resale or exemption certificate is subsequently required to pay a sales or use tax measured by the sale, he may recover the amount of the tax as a debt due from the person who furnished such certificate.

History: 1971 c. 316.

**77.59 Deficiency and refund determinations.** (1) The department may, by office audit, determine the tax required to be paid to the state or the refund due to any person pursuant to this subchapter. The determination may be made upon the basis of the facts contained in the return being audited or upon the basis of any other information within the department's possession. The determination shall be presumed to be correct and the burden of proving it to be incorrect shall be upon the person challenging the correctness thereof. One or more such office audit determinations may be made of the amount due for any one or for more than one period.

(2) The department may, by field audit, determine the tax required to be paid to the state or the refund due to any person pursuant to this subchapter. The determination may be made upon the basis of the facts contained in the return being audited or upon any other information within the department's possession. The department is authorized to examine and inspect the books, records, memoranda, and property of any person in order to verify the tax liability of that person or of another person. The department is authorized to subpoena any person to give testimony under oath before it and to require such person to produce whatever books, records or memoranda are necessary in order to enable the department to verify the tax liability of such person or of another person. The determination shall be presumed to be correct and the burden of proving it to be incorrect shall be upon the person challenging the correctness thereof. A determination by the department pursuant to a field audit becomes final at the expiration of the appeal periods hereinafter provided and the tax liability of the taxpayer for the period audited may not be subsequently adjusted, except as provided in sub. (8).

(3) No determination of the tax liability of a person may be made unless written notice of such determination is given to the taxpayer within 4 years of the due date of the return or within 4 years of the date the return was filed with the department, whichever is later. The notice required herein shall specify whether the determination is an office audit determination or a field audit determination and it shall be served personally or by registered or certified mail. If

the department is unable to obtain personal service or service by registered or certified mail, publication thereof as a class 3 notice, under ch. 985, shall constitute service of notice in any case where notice is required under this subchapter.

(a) If the taxpayer has consented in writing to the giving of notice after such time, the notice may be given at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing.

(4) At any time within 4 years after the due date of a return, a person may, unless a determination by the department by office or field audit has been made, file with the department a claim for refund of taxes paid by such person. Such claim for refund shall be regarded as a request for determination. The determination thus requested shall be made by the department within one year after the claim for refund is received by it.

(5) In making a determination, the department may offset the amount of any refund for a period, together with interest on the refund, against deficiencies for another period, and against penalties and interest on the deficiencies, or against any amount of whatever kind, due and owing on the books of the department from the person claiming the refund.

(6) A determination by the department is final unless, within 30 days after receipt of the notice of such determination, the taxpayer, or other person directly interested, petitions the department for a redetermination. In the case of notice served by publication, the 30-day period commences with the last day of such publication of notice.

(a) Within 6 months of the receipt by the department of the petition for redetermination, the department shall notify the petitioner of its redetermination. Such redetermination shall become final 30 days after receipt by the petitioner of notice thereof unless, within that 30-day period, the petitioner appeals the redetermination under par. (b).

(b) Appeals from the department's redeterminations shall be governed by the statutes applicable to income tax appeals but all appeals from decisions of the tax appeals commission with respect to the taxes imposed by this subchapter shall be appealed to the circuit court for Dane county.

(7) If the department believes that the collection of any tax imposed by this subchapter will be jeopardized by delay, it shall notify the person determined to owe the tax of its intention to proceed under s. 71.13 (3) for collection of the amount determined to be owing, including pen-

alties and interest. Such notice shall be by certified or registered mail or by personal service and the warrant of the department shall not issue if the person, within 10 days after such notice furnishes a bond in such amount not exceeding double the amount determined to be owing and with such sureties as the department approves, conditioned upon the payment of so much of the taxes, interest and penalties as shall finally be determined to be due. Nothing in this subsection shall affect the review of determinations of tax as provided in this subchapter and any amounts collected under this subsection shall be deposited with the state treasurer and disbursed after final determination of the taxes as are amounts deposited under s. 71.12 (2).

(8) Notwithstanding any other provision of this subchapter, if a person fails to file a report or return required by this subchapter or files a false or fraudulent report or return with the intent in either case to defeat or evade tax required to be paid, the department may determine the proper tax due at any time and without regard to when such failure or filing occurred and without regard to whether a field audit determination was previously made. The department may, at any time, examine and inspect any of the books, records, memoranda, or property of any person and make whatever inquiry, including the subpoena of persons, necessary to the determination of whether a failure to file or a filing was with the intent to defeat or evade the tax.

(9) If any person fails to file a return, the department shall make an estimate of the amount of the gross receipts of the person, or, as the case may be, of the amount of the total sales price of tangible personal property or taxable service sold or purchased by the person, the sale by or the storage, use or other consumption of which in this state is subject to sales or use tax. The estimate shall be made for the period in respect to which the person failed to make a return and shall be based upon any information which is in the department's possession or may come into its possession. Upon the basis of this estimate the department shall compute and determine the amount required to be paid to the state, adding to the sum thus arrived at a penalty equal to 10% thereof. One or more such determinations may be made for one or for more than one period. When a business is discontinued a determination may be made at any time thereafter, within the periods specified in sub. (3), as to liability arising out of that business.

(10) As used in this section, "tax" or "taxes" include penalties and interest.

**77.60 Interest and penalties.** (1) All un-

paid taxes shall bear interest at the rate of 6% per annum from the due date of the return until paid or deposited with the department and all refunded taxes shall bear interest at 6% per annum from the due date of the return until the first day of the month following the month in which such taxes are refunded. An extension of time within which to file a return shall not operate to extend the due date of the return for purposes of interest computation.

(2) Delinquent sales and use tax returns shall be subject to a \$10 late filing fee. Delinquent sales and use taxes shall bear interest at the rate of one per cent per month until paid. The taxes imposed by this subchapter shall become delinquent if not paid:

(a) In the case of a timely filed return, on or before the due date of the return, or on or before the expiration of an extension period if one has been granted.

(b) In the case of no return filed or a return filed late, by the due date of the return.

(c) In the case of deficiency determinations, on or before the first day of the calendar month following the calendar month in which the determination becomes final, except that if the determination is contested before the tax appeals commission or in the courts, on or before the 30th day following the date on which the order or judgment representing the final determination, becomes final.

(3) If due to neglect an incorrect return is filed, the entire tax finally determined shall be subject to a penalty of 25% of the tax exclusive of interest or other penalty. A person filing an incorrect return shall have the burden of proving that the error or errors were due to good cause and not due to neglect.

(4) In case of failure to file any return required under authority of s. 77.58 by the due date, determined with regard to any extension of time for filing, unless it is shown that such failure was due to reasonable cause and not due to neglect, there shall be added to the amount required to be shown as tax on such return 5% of the amount of such tax if the failure is not for more than one month, with an additional 5% for each additional month or fraction thereof during which such failure continues, not exceeding 25% in the aggregate. For purposes of this subsection, the amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the due date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

(5) If a person fails to file a return when due or files a false or fraudulent return with intent in

either case to defeat or evade the tax imposed by this subchapter, a penalty of 50% shall be added to the tax required to be paid, exclusive of interest and other penalties.

(6) Any retailer or other person who fails or refuses to furnish any return required to be made, or who fails or refuses to furnish a supplemental or annual return or data required by the department, is guilty of a misdemeanor.

(7) Any person required to make, render, sign or verify any report or return who makes a false or fraudulent report or return or who fails to furnish a report or return with the intent, in either case, to defeat or evade the tax imposed by this subchapter, is guilty of a misdemeanor.

(8) Any person engaged in the business of making sales at retail who is at the same time engaged in some other kind of business, occupation or profession not taxable under this subchapter, shall keep books to show separately the transactions used in determining the tax herein levied. In the event of such person failing to keep such separate books, there shall be levied upon him a tax at the rate provided in s. 77.52 or 77.53 on the receipts of both or all of his businesses, occupations or professions.

(9) Any officer or employe of any corporation subject to this subchapter who has control, supervision or responsibility of filing returns or making payment of the amount of tax herein imposed and who wilfully fails to file such return or to make such payment to the department, shall be personally liable for such amounts, including interest and penalties thereon, in the event that after proper proceedings for the collection of such amounts, as provided in this subchapter, such corporation is unable to pay such amounts to the department, and the personal liability of such officer or employe as provided herein shall survive the dissolution of the corporation. Such personal liability may be assessed by the department against such officer or employe pursuant to this subchapter for the making of sales tax determinations against retailers and shall be subject to the provisions for review of sales tax determinations against retailers, but the time for making such determinations shall not be limited by s. 77.59 (3) or by any other statute.

(10) It is unlawful for any person to aid, abet or assist another in making any false or fraudulent return or false statement in any return required by this subchapter, with intent to defraud the state or evade payment of the tax, or any part thereof, imposed by this subchapter. Anyone in violation hereof shall be guilty of a misdemeanor.

#### 77.61 Administrative provisions. (1) (a)

No motor vehicle, boat or aircraft shall be registered in this state unless the registrant presents proof that the sales or use taxes imposed by this subchapter have been paid.

(b) In the case of a motor vehicle purchased from a licensed Wisconsin motor vehicle dealer, the registrant shall present proof that the tax has been paid to such dealer.

(c) In the case of motor vehicles, boats or aircraft registered or required to be registered in this state purchased from persons who are not Wisconsin boat or aircraft dealers or licensed Wisconsin motor vehicle dealers, the purchaser shall pay the tax prior to registering such motor vehicle, boat or aircraft in this state.

(2) In order to protect the revenue of the state, the department may require any person liable to it for the tax imposed by this subchapter to place with it, before or after a permit is issued, such security, not in excess of \$5,000, as the department determines. If any taxpayer fails or refuses to place such security, the department may refuse or revoke such permit. If any taxpayer is delinquent in the payment of the taxes imposed by this subchapter, the department may, upon 10 days' notice, recover the taxes, interest and penalties from the security placed with the department by such taxpayer. No interest shall be paid or allowed by the state to any person for the deposit of security.

(3) The department shall provide a bracket system to be used by retailers in collecting the amount of the tax from their customers, but the use of such brackets shall not relieve the retailer from liability for payment of the full amount of the tax levied by this act.

(4) (a) Every seller and retailer as defined in s. 77.51 (7) and (9) and every person storing, using or otherwise consuming in this state tangible personal property or taxable services purchased from a retailer shall keep such records, receipts, invoices and other pertinent papers in such form as the department requires. The failure or refusal of any person to comply with this paragraph shall constitute a misdemeanor.

(b) For reporting the sales and use tax and the accounting connected therewith, retailers may deduct 2% of the total sales and use tax payable each reporting period as partial sales and use tax administration expenses, provided the payment of such taxes is not delinquent. Such deductions shall be limited to one per cent of total sales and use tax paid or payable on or after January 1, 1972.

(5) (a) It is unlawful for the department or any person having an administrative duty under this subchapter to make known in any manner whatever the business affairs, operations or informa-

tion obtained by an investigation of records and equipment of any retailer or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof to be seen or examined by any person.

(b) Subject to rules of the department, any sales tax returns, or any schedules, exhibits, writings, or audit reports pertaining to the same, on file with the department of revenue, shall be open to examination by any of the following persons or the contents thereof divulged or used as provided in the following cases and only to the extent therein authorized; provided that the use of information so obtained is restricted to the discharge of duties imposed upon said persons by law or by the duties of their office, and any of said persons who use or permit the use of any information directly or indirectly so obtained beyond the duties imposed upon them by law or by the duties of their office or by order of a court as set forth in subd. 6 is deemed in violation of this subsection:

1. The secretary of revenue, or any officer, agent or employe of the department of revenue;

2. Public officers of this state or its political subdivisions or the authorized agents of such officers when deemed by them necessary in the performance of the duties of their office;

3. Members of any legislative committee or its authorized agents where deemed by them necessary to accomplish the purpose for which the committee was organized;

4. Public officers of the federal government or other state governments or the authorized agents of such officers, where necessary in the administration of the laws of such governments, to the extent that such government accords similar rights of examination or information to officials of this state;

5. a. The person who filed or submitted such return, or to whom the same relates or by his authorized agent or attorney;

b. The person required to file reports on collection or taxes withheld from another;

6. Any person examining such return pursuant to a court order duly obtained upon a showing to the court that the information contained in such return is relevant to a pending court action.

7. Any person against whom the department asserts liability under this subchapter, including a successor, guarantor or surety.

(c) Any person violating this subsection may be fined not less than \$100 nor more than \$500,

or imprisoned not less than one month nor more than 6 months, or both.

(8) In any case in which a refund is authorized or prescribed in this subchapter, or in the rules of the department related to the administration hereof, no such refund shall be made if the total amount thereof is less than \$2.

(9) The department may by rule require the filing, submission, preparation or retention of such information returns, exemption and resale certificates and other forms, reports and data as it requires for the proper administration of this subchapter. Any person who fails or refuses to file, submit, prepare or retain such returns, certificates, forms, reports or data, at the time and place and in the manner required, is guilty of a misdemeanor for each such failure or refusal.

(11) Any city, village or town clerk or other official whose duty it is to issue licenses or permits to engage in a business involving the sale at retail of tangible personal property subject to tax under this subchapter or the furnishing of services so subject to tax, shall, before issuing such license or permit, require proof that the person to whom such license or permit is to be issued is the holder of a seller's permit as required by this subchapter or has applied to the department of revenue for such permit.

(12) No natural person shall be excused from testifying or from producing any books, papers, records or memoranda in any investigation, or upon any hearing when ordered to do so by the secretary of revenue or his designee upon the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to criminal penalty, but no such natural person so ordered shall be prosecuted or subjected to any criminal penalty for, or on account of such testimony or books, papers, records or memoranda which he produces upon such investigation or hearing. No person so testifying shall be exempt from prosecution and punishment for perjury in so testifying.

(13) No injunction shall issue to stay proceedings for assessment or collection of any taxes levied under this subchapter.

History: 1971 c. 125.

**77.62 Collection of delinquent sales and use taxes.** (1) The department of revenue may exercise the powers vested in it by s. 71.13 in connection with collection of delinquent sales and use taxes including, without limitation because of enumeration, the power incorporated by reference in s. 71.13 (3) (i), and the power to:

(a) Use the warrant procedures under s. 71.13;

(b) Release real property from the lien of a warrant;

(c) Satisfy warrants;

(d) Approve instalment payment agreements;

(e) Compromise on the basis of ability to pay; or

(f) Compromise delinquent estimated assessments on the basis of fairness and equity.

**Cross Reference:** See 73.03 (27) for provision as to writing off uncollectible sales and use taxes.

**77.621 Transition from selective to general sales tax.** The selective sales and use tax law effective February 1, 1962, shall have continuity in the general sales and use tax law. Any person registered under the selective sales and use tax law shall continue as registered under the general sales and use tax law.

### SUBCHAPTER V LOCAL SALES TAX

**77.70 Adoption by county ordinance.** Any county desiring to impose a local sales tax under this subchapter may do so by the adoption of an ordinance, stating its purpose and referring to this subchapter. Such ordinance shall be effective on the first day of the succeeding calendar year. A certified copy of such ordinance must be delivered to the secretary of revenue at least 60 days prior to the effective date thereof. The repeal of any such ordinance shall be effective on the last day of the calendar year first occurring after such repeal. A certified copy of a repeal ordinance must be delivered to the secretary of revenue 60 days or more prior to the effective date of such repeal.

A county may not impose a tax upon admissions to amusements except as part of a general sales and use tax at the statutorily prescribed rate of one-half of 1%. 58 Atty Gen. 212.

**77.71 Imposition of county sales tax.** Any county may impose a tax at the rate of one-half of one per cent of the gross receipts for the privilege of selling, leasing or renting therein tangible personal property and for the privilege of selling, performing or furnishing therein of services, the gross receipts from which constitute the measure of state sales taxation under subch. III. The rate of such tax shall be added to the rate of the state sales tax. Such tax shall be administered, enforced and collected by the state on behalf of such county and subch. III and the rules adopted pursuant thereto shall be applicable to the levy and collection of such tax.

**77.72 Situs.** For the purpose of a sales tax imposed by an ordinance adopted pursuant to this subchapter, all retail sales are consummated at the place of business of the retailer unless

the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. Gross receipts from rental or leasing of property shall have a situs at the location of such property. Telephone services shall have a situs at the location of the consumer.

**77.73 Occasional sales.** Occasional sales of motor vehicles and aircraft registered in this state shall be subject to tax at the place the property will be kept by the purchaser.

**77.74 Seller permits.** An additional seller's permit shall not be required of any retailer who has been issued a permit under subch. III.

**77.75 Reports.** Every retailer subject to a local sales tax shall, for each reporting period, record his sales made in the enacting county separately from sales made elsewhere in this state and report such sales and the tax due thereon separately to the department of revenue on forms to be provided by the department.

**77.76 Administration.** (1) The department of revenue shall have full power to levy, enforce and collect such local sales tax and may take any action, conduct any proceeding, impose interest and penalties and in all respects proceed as it is authorized to proceed in respect of the taxes imposed by subch. III.

(2) Judicial review of departmental determinations shall be as provided in subch. III and no county may intervene in any matter related to the levy, enforcement and collection of such taxes.

(3) There shall be retained by the state 3% of the taxes, interest and penalties collected by it to cover costs incurred by the state in administering, enforcing and collecting the tax.

(4) After deducting the amounts retained under sub. (3), the department shall distribute the local sales tax collections from each enacting county to the cities, villages and towns in the county, no later than the end of the 3rd month following the end of the calendar quarter in which such amounts were collected by the state, on the following basis:

(a) Fifty per cent of the amount to be distributed in each county shall be apportioned on the basis of the most recent assessment of equalized valuation in the cities, villages and towns of the county by the department under s. 70.57.

(b) Fifty per cent of the amount to be distributed in each county shall be apportioned to the cities, villages and towns in the county on the basis of population. "Population" shall be

deemed to be the number of persons residing in each municipality and county of the state as determined by the department of revenue on or before March 31 of each year. On or before January 31 of each year, the department of revenue shall notify the clerk of each municipality and county of its proposed population determination for distribution purposes in that year for the particular municipality or county. Municipalities and counties believing such proposed determination to be in error shall have until February 20 of the same year to file their specific objections, and evidence in support thereof, with the secretary of revenue at his offices in Madison. In making such population determinations, the department shall take into consideration the last previous federal census, the latest annual determination by the department of health and social

services of the population of each county, the residence of personal exemptions set forth in Wisconsin income tax returns most currently available, the most current statistics of motor vehicle registration and any other records and facts the department deems relevant. The department's March 31 determination of population shall be final for the purposes of distributions under this subchapter in the same calendar year.

**77.77 Redistribution.** The department of revenue may redistribute tax, penalty and interest distributed to a county other than the county entitled thereto but such redistribution shall not be made as to amounts originally distributed earlier than one year prior to the time the department obtains knowledge of the improper distribution.