

TAX 2

Filed 10/22/73
2:20 p.m. Gary L. Paulson

CERTIFICATE OF RULE CHANGES

STATE OF WISCONSIN)
) SS
DEPARTMENT OF REVENUE)

I, EDWARD A. WIEGNER, Secretary of the Department of Revenue and custodian of the official records of such Department, do hereby certify that the annexed rule changes whereby

TAX 2.39(1m) is created, and

TAX 2.39(5)(f)5 is repealed and recreated
were this day duly approved and adopted by me.

I further certify that the attached copies of such changes were compared by me with the originals on file in the offices of the Department of Revenue, and that the same are true copies thereof and of the whole of such originals.

IN TESTIMONY WHEREOF, I have hereunto set my hand at the General Executive Facility, 201 East Washington Avenue, in the City of Madison, Wisconsin this 16 day of October, A. D. 1973.



Edward A. Wiegner
Secretary of Revenue

ORDER OF THE WISCONSIN DEPARTMENT OF
REVENUE CHANGING RULES

Pursuant to the authority vested in the Wisconsin Department of Revenue by Section 71.11(24) of the statutes, the said Department hereby creates TAX 2.39(1m) and repeals and recreates TAX 2.39(5)(f)5 as follows:

Create TAX 2.39(1m)

Beginning with calendar year 1974, or corresponding fiscal year, and thereafter, in lieu of the equally weighted 3-factor apportionment fraction based on property, payroll and sales, there shall be used an apportionment fraction composed of a sales factor representing 50% of the fraction, a property factor representing 25% of the fraction and a payroll factor representing 25% of the fraction. If one of these factors is omitted pursuant to s. 71.07(3), the percentages of the fraction represented by the remaining factors shall be adjusted as follows:

(a) If either the property factor or payroll factor is omitted, the other of such factors shall represent 33-1/3% of the fraction and the sales factor shall represent 66-2/3% of the fraction.

(b) If the sales factor is omitted, the property factor and the payroll factor shall each represent 50% of the fraction.

Repeal and recreate TAX 2.39(5)(f)5

Application. a. Receipts from sales, other than sales of tangible personal property, are in this state if the income

producing activity is performed wholly within this state. If the income producing activity is performed partly within and partly without this state, receipts shall be assigned to this state based upon the ratio of direct costs of performing such services in this state to the direct costs of performing such services in all states having jurisdiction to tax such business.

b. The following are special rules for determining when receipts from the income producing activities described below are in this state during the taxable year:

(i) Gross receipts from the sale, lease, rental or other use of real property are in this state if the real property is located in this state.

(ii) Gross receipts from the rental, lease, licensing the use or other use of tangible personal property shall be assigned to this state if the property is within this state during the entire period of rental, lease, license or other use. If the property is within and without this state during such year, gross receipts attributable to this state shall be based upon the ratio which the time the property was used in this state bears to the total time the property was used in all states having jurisdiction to tax such business during such year.

(iii) Gross receipts from the performance of personal services are attributable to this state if the services are performed entirely in this state. If the services are performed partly within and partly without this state, gross receipts shall be attributable to this state based upon the ratio which compensation and other direct costs of performing

such services in this state bear to total compensation and other direct costs of performing such services in all states having jurisdiction to tax such business. Where services are performed in a state which does not have jurisdiction to tax the business, gross receipts are attributed to this state if the compensation related to performing such services is allocated to this state by s. 71.07(2)(b)4.

c. The provisions of sections (5)(b)2 and (5)(f) herein shall also apply to sales, other than sales of tangible personal property, to the United States Government.



State of Wisconsin \ DEPARTMENT OF REVENUE

October 22, 1973

STATE OFFICE BUILDING
201 EAST WASHINGTON AVENUE
MADISON, WISCONSIN 53702

Mr. James J. Burke
Revisor of Statutes
State Capitol
Madison, Wisconsin

Dear Mr. Burke:

Enclosed herewith is a certified copy of changes made in the Rules of the Department of Revenue as follows:

TAX 2.39(1m) is created; and


TAX 2.39(5)(f)5 is repealed and recreated.

We desire to have such rule changes published in the Wisconsin Administrative Register at your earliest convenience.

Under the provisions of the Wisconsin Statutes, no formal hearing is necessary for the adoption of rule changes solely to bring the language of an existing rule into conformity with a statute which has been changed or adopted since the adoption of such rule. (See Section 227.02(1)(b) stats.) The rule changes affecting TAX 2.39 are made to conform it with Sections 71.07(2)(intro.) and 71.07(2)(c)3 which were amended as a part of Chapter 90, Laws of 1973.

A certified copy of such changes is being mailed today to the Secretary of State for filing, pursuant to Section 227.023(1) of the statutes.

Sincerely,


Edward A. Wiegner
Secretary of Revenue

EAW:lss

cc: Hon. Robert C. Zimmerman
Commerce Clearing House
Prentice-Hall, Inc.