

CR 82-60

CERTIFICATE

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STATE OF WISCONSIN)
DEPARTMENT OF REVENUE) SS

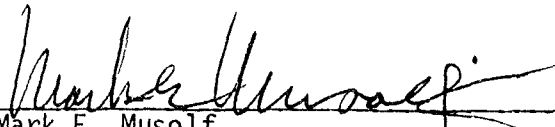
AUG 11 1982
10:25
Revisor of Statutes
Bureau

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Mark E. Musolf, Secretary of the Department of Revenue and custodian of the official records of said department do hereby certify that the annexed amendments to rule Tax 11.11 relating to waste treatment facilities, was duly approved and adopted by this department on August 9, 1982.

I further certify that said copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 125 South Webster Street in the city of Madison, this 9th day of August 1982.



Mark E. Musolf
Secretary of Revenue

ORDER OF THE DEPARTMENT OF REVENUE
AMENDING RULE TAX 11.11, WASTE TREATMENT FACILITIES
(INDUSTRIAL OR GOVERNMENTAL)

To amend Tax 11.11(1) title, (2), (4)(b) and (5)(d) and repeal and recreate 11.11(3) relating to the sales and use tax status of waste treatment facilities.

Analysis by the Department of Revenue

Rule Tax 11.11 interprets the sales and use tax exemption in s. 77.54 (26), Stats., to a contractor's or other person's purchases of tangible personal property which will become a component part of an industrial or governmental waste treatment facility. These amendments clarify the Department of Revenue's statutory interpretations and revise the rule as necessary to recognize new legislation and policy changes.

SECTION 1 deletes from the body of the rule a reference to July 31, 1975 and moves the reference to a footnote following the rule.

SECTIONS 2 and 3 reflect changes needed to recognize that the law requires approvals of industrial, commercial and public utility waste treatment facilities under s. 70.11(21)(a), Stats., but such approvals are not required for municipal waste treatment facilities and such approvals are not required before purchases are made or construction begins or contemporaneously with the purchase or construction. Currently, the department is issuing approvals for municipal facilities but does not require prior or contemporaneous approval to qualify for the sales or use tax exemption. SECTION 3 also sets forth the current address and telephone number of the Bureau of Utility and Special Taxes and the Bureau of Property Tax for those needing information about approvals.

SECTION 4 reflects a change in the law relating to chemicals and supplies used or consumed in operating a waste treatment facility. Chapter 39, Laws of 1979, effective September 1, 1979 provided a sales and use tax exemption for such purchases.

Pursuant to authority vested in the Department of Revenue by section 227.014, Stats., the Department amends rule Tax 11.11 interpreting s. 77.54(26), Stats., as follows:

SECTION 1. Tax 11.11(1) of the Wis. Adm. Code is amended to read:

Tax 11.11(1) THE STATUTE, ~~EFFECTIVE JULY 31, 1975.~~

SECTION 2. Tax 11.11(2) of the Wis. Adm. Code is amended to read:

Tax 11.11(2) CONTRACTORS AND SUBCONTRACTORS. (a) The sales and use tax exemption extends to and includes the purchases of tangible personal property by a contractor-installer who incorporates such property into an approved industrial waste treatment facility or who incorporates such property into a municipal waste treatment facility. The contractor-installer ~~should~~ shall certify the intended exempt use of the item to each supplier in order to relieve the supplier of the duty of collecting and reporting the tax on the sale. Certification of exempt use ~~should~~ shall be made on a Certificate of Exemption, Form S-207.

(b) Contractors ~~should-be-certain~~ shall ascertain whether the industrial waste treatment facility they are constructing has been properly approved by the department of revenue for a property tax exemption under s. 70.11(21), Stats. If there has been no "approval", the contractor or subcontractor may be liable for the sales or use tax on his or her purchases.

(c) A contractor's purchases of items used or consumed in the performance of the construction contract, and which do not become a component part of the waste treatment facility, are subject to the tax. This includes industrial gases, form lumber, tunnel shields and supplies used by a contractor during construction. Payments by a contractor for equipment purchased or leased to perform a construction job are also taxable.

SECTION 3. Tax 11.11(3) of the Wis. Adm. Code is repealed and recreated to read:

Tax 11.11(3) APPROVAL OF FACILITIES. (a) Tangible personal property which becomes a component part of an industrial waste treatment facility qualifies for the sales and use tax exemption if the facility has

been approved for property tax exemption by the department of revenue as provided in s. 70.11(21), Stats. Sections Tax 6.40 and Tax 12.40 describe how "approval" may be obtained for public utilities and other commercial and industrial concerns, respectively.

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

(c) Contractors and others may determine whether a facility has been approved by the department of revenue as follows:

1. Public utility facilities, including railroads, airlines and pipelines: Write or call the Department of Revenue, Bureau of Utility and Special Taxes, 125 South Webster Street, P.O. Box 8933, Madison, WI 53708; telephone (608) 266-3565.

2. Other commercial or industrial facilities: Write or call the Department of Revenue, Bureau of Property Tax, 125 South Webster Street, P.O. Box 8933, Madison, WI 53708; telephone (608) 266-8135.

(d) Property tax exemption approvals by the department of revenue are not required for municipal waste treatment facilities for the sales and use tax exemption under s. 77.54(26), Stats., to apply. Contractors or others constructing municipal waste treatment facilities may purchase construction materials which become a component part of the exempt facility without tax by issuing a properly completed exemption certificate to their suppliers.

SECTION 4. Tax 11.11(4)(b) and (5)(d) of the Wis. Adm. Code are amended to read:

Tax 11.11(4)(b). When any plant or equipment has been approved as exempt from the property tax on January 1, the repair, service, alteration, cleaning, painting and maintenance of such exempt property and the repair parts and replacements therefor are also exempt through the following December 31. ~~The exemption does not extend to supplies or services used to carry out the treatment process.~~ The sales and use tax exemption applies to chemicals and supplies used or consumed in operating a waste treatment facility.

Tax 11.11(5)(d). ~~When any municipal central waste treatment facility has been approved as exempt under s. 77.54(26), Stats., the~~ The repair, service, alteration, cleaning, painting and maintenance of such property a municipal central waste treatment facility, and the repair parts and replacements therefor, and chemicals and supplies used or consumed in operating a waste treatment facility are exempt from the sales and use tax.

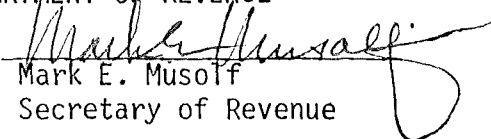
Note To Revisor: The "Note" at the end of the rule should be revised to read as follows:

Note: The interpretations in this rule are effective July 31, 1975 when ss. 70.11(21)(a) and 77.54(26), Stats., were revised, except that the exemption for chemicals and supplies used or consumed in operating a waste treatment facility is effective September 1, 1979, the date s. 77.54(26), Stats., was amended by Chapter 39, Laws of 1979.

The amendments, repeals and recreations contained in this order shall take effect as provided by s. 227.026(1)(intro.), Stats.

Dated: August 9, 1982

DEPARTMENT OF REVENUE

By: 
Mark E. Musolf
Secretary of Revenue



State of Wisconsin

DEPARTMENT OF REVENUE

OFFICE LOCATED AT
125 SOUTH WEBSTER STREET

MAILING ADDRESS
POST OFFICE BOX 8933
MADISON, WISCONSIN 53708

August 9, 1982

Orlan L. Prestegard
Revisor of Statutes
411 West, State Capitol
Madison, WI 53702

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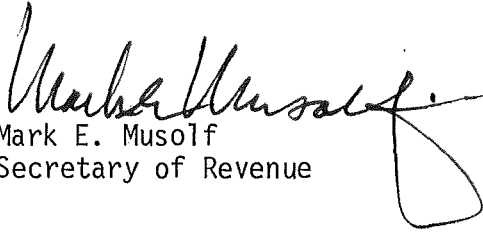
Revisor of Statutes
Bureau

Dear Mr. Prestegard:

Enclosed are a certified copy and an extra copy of an Order of the Department of Revenue amending rule Tax 11.11.

These materials are filed with you pursuant to s. 227.023(1), Wis. Stats.

Sincerely,


Mark E. Musolf
Secretary of Revenue

MEM:jbr

Enclosures



State of Wisconsin \

DEPARTMENT OF REVENUE

OFFICE LOCATED AT
125 SOUTH WEBSTER STREET

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Vel Phillips
Secretary of State
13 West, State Capitol
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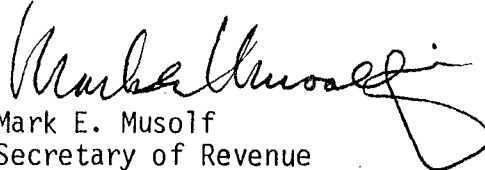
Revisor of Statutes
Bureau

Dear Ms. Phillips:

Enclosed are a Certificate and an Order of the Department of Revenue amending rule Tax 11.11.

These materials are filed with you pursuant to s. 227.023(1), Wis. Stats.

Sincerely,


Mark E. Musolf
Secretary of Revenue

MEM: jbr

Enclosures

cc: Revisor of Statutes