

CR 82-176

CERTIFICATE

RECEIVED

STATE OF WISCONSIN)
) SS
DEPARTMENT OF REVENUE)


DEC 17 1982
11:45 am
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 rules, relating to sales and use taxes, were duly approved and adopted by this department on December 17, 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 17th day of December, 1982.



Mark E. Musolf
Secretary of Revenue

2-1-83

ORDER OF THE DEPARTMENT OF REVENUE
REPEALING, AMENDING AND CREATING RULES

To amend Tax 11.001(12), Tax 11.32(4)(a) and (b), and (5)(b) and (c), Tax 11.66(1)(a), (b), (d) and (e); to repeal and recreate Tax 11.32(5)(a); relating to updating sales and use tax administrative rules for changes necessitated by Chapter 317, Laws of 1981.

Analysis by the Department of Revenue

Revisions of various administrative rules are necessary because of changes in the sales and use tax law made by Chapter 317, Laws of 1981, effective May 1, 1982. The sales tax rate was increased from 4% to 5%, and Sections 1, 2 and 4 amend and Section 3 repeals and recreates rules in order to reflect this rate change.

In addition, Chapter 317 imposed the 5% sales tax on interstate telegraph services and on interstate telephone services which originate from and are charged to a telephone located in this state. Rule Tax 11.66 is amended in Section 5 to reflect the new tax on these interstate communication services and an old effective date is moved to a "note" at the end of the rule.

Pursuant to the authority vested in the Department by section 227.014, Stats., the Department of Revenue hereby repeals, amends and creates rules contained in Chapter Tax 11 which interpret 77.51(11) (a) 4, 77.52(1), 77.52(2)(a)3, (4) and (12) and 77.61(3), Stats., as follows:

SECTION 1. Tax 11.001(12) is amended to read:

Tax 11.001(12) "Tax" means the 4% Wisconsin sales or use tax in effect under ss. 77.52(1) and (2) and 77.53(1), Stats.

SECTION 2. Tax 11.32(4)(a) and (b) are amended to read:

Tax 11.32(4)(a) SALES TAX COLLECTED FROM CUSTOMERS. (a) Section 77.51(11)(a)4 provides in part that "if a retailer establishes to the satisfaction of the department that the sales tax... has been added to the total amount of the sales price and has not been absorbed by him the retailer, the total amount of the sales price shall be deemed to be the amount received exclusive of the sales tax imposed." Therefore, when the tax is collected from customers who are notified of that fact, the amount of the tax collected is not included in the base to which the tax applies. ~~For example, if taxable property is sold for \$100 and \$4 of tax is collected for a total of \$104 the tax payable by the retailer is determined by multiplying the tax rate times \$100.~~

Example: If taxable property is sold for \$100 and \$5 of tax is collected for a total of \$105, the tax payable by the retailer is determined by multiplying the tax rate times \$100.

Tax 11.32(4)(b) If a retailer cannot collect any tax because all sales are below the minimum price on which tax is collectible under the bracket system, no part of the retailer's gross receipts shall be treated as tax collected from customers. ~~For example, a vending machine operator whose only receipts are from sales of 10¢ items cannot collect any sales tax from customers, and the tax applies to the total gross receipts.~~

Example: A vending machine operator whose only receipts are from sales of 5¢ items is unable to collect any sales tax from customers, and the tax applies to the operator's total gross receipts.

SECTION 3. Tax 11.32(5)(a) is repealed and recreated to read:

Tax 11.32(5)(a) The following bracket system shall be used by retailers in computing the amount of the tax which may be collected from the retailer's customers.

<u>Amount of Taxable Sale</u>	<u>5% Tax Collectible</u>
\$.01 to \$.09	\$.00
.10 to .29	.01
.30 to .49	.02
.50 to .69	.03
.70 to .89	.04
.90 to 1.09	.05

On sales exceeding \$1.00 the tax equals 5% of each full dollar plus the tax shown above for the applicable fractional part of a dollar.

SECTION 4. Tax 11.32(5)(b) and (c) are amended to read:

Tax 11.32(5)(b) The bracket system method is designed so that the total amount of tax paid by customers should ~~approximate~~ approximates ~~4%-of-a~~ the tax payable by the retailer on the retailer's taxable gross receipts, if the retailer's taxable sales fall equally throughout all the brackets. When more than one taxable item is sold in a single transaction, the tax shall be computed on the aggregate sales price of the taxable items sold.

Tax 11.32(5)(c) The gross sales tax payable by a retailer ~~is 4%-of~~ the tax rate under s. 77.52(1) or (2) times the retailer's taxable gross receipts, regardless of the amount of tax collected from customers.

Note to Revisor: The "Note" at the end of rule Tax 11.32 should be amended to read:

Note: The interpretations in this rule are effective under the general sales and use tax law on and after September 1, 1969. The 4% tax rate was in effect from September 1, 1969 through April 30, 1982. Effective May 1, 1982 the tax rate is 5%. The bracket system used during the period the tax rate was 4% is as follows:

<u>Amount of Taxable Sale</u>	<u>4% Tax Collectible</u>
\$.01 to \$.12	\$.00
.13 to .37	.01
.38 to .62	.02
.63 to .87	.03
.88 to 1.12	.04

On sales exceeding \$1.00, the tax equals 4% of each full dollar plus the tax shown above for the applicable fractional part of a dollar.

SECTION 5. Tax 11.66(1)(a), (b), (d) and (e) are amended to read:

Tax 11.66(1)(a) ~~Intrastate-telegraph~~ Telegraph service services.

Tax 11.66(1)(b) Telephone services of whatever nature including, in addition to services connected with voice communication, any services connected with the transmission of sound, vision, information, data or material other than by voice communication, and connection, move and change charges, except interstate-service, directory advertising service and coin-operated telephone service. Interstate and international services are taxable if the service originates from and is charged to a telephone located in this state. All-intrastate-toll-services-provided-on-and-after July-31, 1975-and-billings-for-exchange-service-made-on-or-after-that date-are-taxable.

Tax 11.66(1)(d) One-way paging service effective ~~July 31, 1975~~.

Tax 11.66(1)(e) Cable television system service, including installation charges, ~~effective October 1, 1975~~.

Note to Revisor: The "Note" at the end of rule Tax 11.66 should be amended to read:

Note: The interpretations in this rule are effective under the general sales and use tax law on and after September 1, 1969 except that Chapter 39, Laws of 1975, effective July 31, 1975, expanded the telephone services subject to the tax to include "telephone services of whatever nature", except coin-operated and interstate services, and one-way paging service. Chapter 39, Laws of 1975, also imposed the tax on cable television service, effective October 1, 1975. Chapter 317, Laws of 1981, imposed the tax on interstate telegraph and telephone service, effective May 1, 1982.

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

WISCONSIN DEPARTMENT OF REVENUE

Dated: December 17, 1982

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

December 17, 1982

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

Dear Mr. Prestegard:

Enclosed are a certified copy and an extra copy of an Order of the Department of Revenue amending Rules Tax 11.001, 11.32 and 11.66.

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

Sincerely,

A handwritten signature in cursive script, appearing to read 'Mark E. Musolf', written over a horizontal line.

Mark E. Musolf
Secretary of Revenue

MEM:pks

Enclosures

cc: Ms. Vel Phillips, Secretary of State
Prentice Hall, Inc.
Commerce Clearing House, Inc.



State of Wisconsin \

DEPARTMENT OF REVENUE

OFFICE LOCATED AT
125 SOUTH WEBSTER STREET

MAILING ADDRESS
POST OFFICE BOX 8933
MADISON, WISCONSIN 53708

December 17, 1982

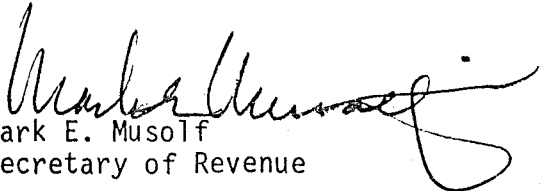
Ms. Vel Phillips
Secretary of State
13 West, State Capitol
Madison, WI 53702

Dear Ms. Phillips:

Enclosed are a Certificate and an Order of the Department of Revenue amending Rules Tax 11.001, 11.32 and 11.66.

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

Sincerely,


Mark E. Musolf
Secretary of Revenue

MEM:pks

Enclosures

cc: Revisor of Statutes