

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100218	What Is Taxable - Common Questions

State of Wisconsin
Department of Revenue

What Is Taxable

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

1. What does sales tax apply to?
2. What is tangible personal property?
3. Which services are taxable?
4. When are delivery charges taxable?

1. **What does sales tax apply to?**

Sales tax is imposed on retailers who make taxable retail sales, licenses, leases, or rentals of the following products in Wisconsin (unless an exemption applies):

- Tangible personal property
- Coins and stamps of the United States that are sold, licensed, leased, rented or traded as collector's items, above their face value.
- Leased tangible personal property affixed to real property, if the lessor has the right to remove the leased property upon breach or termination of the lease agreement.

Exception: A lessor's charge for the lease of tangible personal property affixed to real property is not taxable if the lessor of the leased property is also the lessor of the real property to which the leased property is affixed.

- Certain digital goods

In addition, certain services which are sold, licensed, performed, or furnished at retail in Wisconsin are subject to Wisconsin sales or use tax, unless the service provider or the buyer is exempt from tax on that transaction.

2. **What is tangible personal property?**




Tangible personal property is personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. Examples include:

- Clothing
- Computers
- Office equipment

- Electricity
- Gas
- Steam
- Water
- Prewritten computer software, regardless of how it is delivered (i.e., physical media or download)

3. Which services are taxable?

Only certain services sold, performed, or furnished in Wisconsin are subject to Wisconsin sales or use tax. Taxable services include:

- Admission and access privileges to amusement, athletic, entertainment, or recreational places or events.
- Access or use of amusement devices
- Boat docking and storage
- Cable television services
- Contracts for future performance of services
- Internet access (not taxable beginning July 1, 2020).
-  Landscaping and lawn maintenance services
- Laundry and dry cleaning services
- Parking services for motor vehicles and aircraft
- Photographic Services
- Producing, fabricating and printing
- Repair and service of tangible personal property, items, property, or goods (Part 10.B.9 in Publication 201)
-  Rooms or lodging for less than one month
- Telecommunications message services
- Telecommunications services, including prepaid calling services, and ancillary services
-  Towing and hauling of motor vehicles by a tow truck

4. When are delivery charges taxable?

When a retailer sells taxable products or services which are subject to tax, and the retailer charges the purchaser for delivery, the retailer's total charge, including the delivery charge, is taxable. This is the case whether the seller's vehicle, a common or contract carrier, or the United States Postal Service makes delivery.

Exceptions:

- The sales price of direct mail does not include separately stated delivery charges.
- Transportation or delivery charges paid by the Wisconsin purchaser to a carrier which is independent of the seller.

For additional information on these sales and services, see [Publication 201](#), Wisconsin Sales and Use Tax Information.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of December 6, 2019: Sections 77.51, 77.52, 77.522, 77.54 and 77.55, Wis. Stats., and secs. Tax 11.05, 11.12, 11.27, 11.32, 11.46, 11.48, 11.49, 11.52, 11.54, 11.57, 11.65, 11.66, 11.67, 11.68, 11.69, 11.71, 11.72, 11.78, 11.83, 11.84, 11.85, 11.86 and 11.94, Wis. Adm. Code.

Laws enacted and in effect after December 6, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to December 6, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

FOR QUESTIONS OR COMMENTS CONTACT:

MS 5-77

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Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

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