

**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
100122	Dry Cleaning Facility License and Products Fees - Common Questions

State of Wisconsin
Department of Revenue


Dry Cleaning Facility License and Products Fees

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 is the dry cleaning facility license?
2. What is the dry cleaning license fee?
3. What is the dry cleaning products fee?
4. How do I register as a dry cleaner or dry cleaning products seller?
5. Am I required to file a Wisconsin Dry Cleaning License Fee Return?
6. Am I required to file a Wisconsin Dry Cleaning Products Fee Return?
7. Where do I file my Wisconsin return?
8. What is the deadline for filing my Wisconsin return?
9. How can I send in money if I do not have the proper Wisconsin forms?
10. Should I notify the Wisconsin Department of Revenue if I close my business?

1. **What is the dry cleaning facility license?**

Any person who operates a dry cleaning facility in Wisconsin is required to apply for a dry cleaning facility license.

- Apply online or use  Form BTR-101.
- The department will issue a license to each operator for each facility.
- The license has no expiration date and you must display it prominently in the facility to which it applies.
- The department may require a security deposit before or after issuing the license.

A dry cleaning facility means a facility that dry-cleans apparel or household fabrics for the public other than the following facilities:

- o Coin-operated facilities
- o Facilities located on U.S. military installations
- o Industrial laundries
- o Commercial laundries
- o Linen supply facilities
- o Facilities located at a prison or other penal institution
- o Facilities located at a nonprofit hospital or at a nonprofit health care institution
- o Facilities located on property that is owned by the U.S. government or by this state
- o Formal wear rental firms

Dry stores, storefronts, and drop-off and pick-up points are not considered dry cleaning facilities. However, receipts from dry cleaning facilities where the items cleaned are shipped, delivered, or billed to a storefront location, pick-up and drop-off point, or another dry cleaning retailer are subject to the dry cleaning license fee.

The department may revoke a dry cleaning facility license if a person fails to comply with laws or rules related to the dry cleaning license fee, is delinquent with respect to any taxes, or fails to timely file any returns when requested by the department. Any person who operates a dry cleaning facility without holding a valid dry cleaning facility license may be charged with a misdemeanor.

2. **What is the dry cleaning license fee?**

A dry cleaning license fee is imposed on the operator of a dry cleaning facility in Wisconsin. This license fee is equal to 2.8% of the gross receipts from the previous three months from dry cleaning apparel and household fabrics, but not from dry cleaning formal wear that the facility rents to the general public.

For purposes of determining the 2.8% dry cleaning license fee, "gross receipts" means the total amount of consideration, including cash, credit, property, or services, furnished for the sale without any deduction for the cost of property sold, labor or service cost, or other expenses. "Gross receipts" includes pick-up, cleaning, processing, packaging, and delivery of the dry cleaning apparel or household fabric, but does not include sales taxes or the dry cleaning license fee, or separately stated charges unrelated to the dry cleaning such as tailoring, seamstress, or laundry services, or formal wear rentals.

A "laundry" service is one that uses water and detergent as the main process for cleaning apparel or household fabrics rather than a dry cleaning process.

3. **What is the dry cleaning products fee?**

A dry cleaning products fee is imposed on any person who sells a dry cleaning product to a dry cleaning facility. The fee is \$5 per gallon of perchloroethylene sold and \$0.75 per gallon of any dry cleaning product sold, other than perchloroethylene.

A "dry cleaning product" is a hazardous substance used to clean apparel or household fabrics. It does not include substances used to launder apparel or household products.

4. **How do I register as a dry cleaner or dry cleaning products seller?**

If you are a new business, register online from our [Starting a Business](#) page or use [Form BTR-101](#).

If your business is already registered with the department use the department's online [Business Tax Registration](#) or use [Form BTR-101](#) to register as a dry cleaner.

5. Am I required to file a Wisconsin Dry Cleaning License Fee Return?

If you operate a dry cleaning facility as defined in [Question 1](#) you must register for a dry cleaning license and file Wisconsin Dry Cleaning Facility Fee Returns.

6. Am I required to file a Wisconsin Dry Cleaning Products Fee Return?

If you sell dry cleaning products to dry cleaners in Wisconsin, you are required to file a Wisconsin Dry Cleaning Products Fee Return, to report and remit the dry cleaning products fee to the Wisconsin Department of Revenue.

7. Where do I file my Wisconsin return?

Use [My Tax Account](#) to file your dry cleaning returns. [My Tax Account](#) allows you to view your account status, file returns, make payments, and view notices. It's simple, secure and available 24 hours a day, seven days a week.

8. What is the deadline for filing my Wisconsin return?

The dry cleaning license fee and products fee returns are due quarterly, on or before April 25, July 25, October 25, and January 25.

A late-filed dry cleaning license fee or products fee return is subject to the following:

- A late filing fee of \$150 for corporations, \$50 for other businesses
- Interest of 1.5% per month until paid
- A negligence penalty of 5% per month, or fraction of month the return is late, up to 25%

9. How can I send in money if I do not have the proper Wisconsin forms?

File and pay online using [My Tax Account](#). New users see [Using My Tax Account](#).

10. Should I notify the Wisconsin Department of Revenue if I close my business?

Yes. You must notify the department using one of the following methods:

- Complete the Request to Close Account in [My Tax Account](#)
- Email DORSalesandUse@wisconsin.gov
- Call (608) 266-2776

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of February 19, 2020: Sections 77.996, 77.9961 and 77.9962, Wis. Stats.

Laws enacted and in effect after February 19, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 19, 2020, 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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Email additional questions to DORSalesandUse@wisconsin.gov

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