

**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
100138	Sales and Use Tax Treatment - Horses - Common Questions

State of Wisconsin
Department of Revenue


Sales and Use Tax Treatment - Horses

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 subject to Wisconsin sales and use tax?
2. What is not subject to Wisconsin sales and use tax?

1. What is subject to Wisconsin sales and use tax?

The following are taxable unless an exemption applies:

- The sale of horses for use in racing, pleasure riding, or show
- The boarding and maintenance, including exercise, of horses used for racing, pleasure riding, or show
 - The retailer providing the boarding service may purchase the feed for such animals without tax by supplying a fully completed Wisconsin Sales and Use Tax Exemption *Wisconsin Sales and Use Tax Exemption Certificate*  (Form S-211 or the electronic exemption certificate Form S-211E), or *Streamlined Sales and Use Tax Exemption Certificate - Wisconsin version* (Form S-211-SST), claiming resale
- The charge for mare care services for horses used for racing, pleasure riding, or show, excluding charges for veterinary services and separately stated charges for foal training
- The furnishing of horse trail rides
- Charges by persons operating riding stables
 - Persons operating riding stables are selling taxable admissions to customer participation events and must pay tax on the purchase of feed they use for their horses

2. What is not subject to Wisconsin sales and use tax?

- The sale of horses used in farming (i.e., the commercial breeding and raising of horses or "farm work stock").

Note: Wisconsin statutes provide exemptions for certain sales to persons who are engaged in the business of farming. Farming includes the commercial breeding and raising of horses for sale. An exemption applies to the purchase of "farm work stock,"

such as draft horses and mules, that are used exclusively in the business of farming. "Farm work stock" also includes horses used exclusively in farming to check on or herd livestock.

Persons engaged only in boarding horses, giving lessons, and selling a horse occasionally are not engaged in the commercial breeding and raising of horses for sale, and are not engaged in farming. Such persons may **not** purchase taxable products or services exempt under the farming exemption. There is no qualifying number of horses sold that determines whether a person is engaged in farming, but rather the facts and circumstances that indicate the person is engaged in the commercial breeding and raising of horses for sale.

Persons operating riding stables or training facilities do not qualify as farmers if they do not engage in the commercial breeding and raising of horses for sale.

- Training horses. Persons engaged in training horses must pay tax on the purchase of feed, unless an exemption applies (e.g., they also sell feed and purchase it for resale).
- Mare care service, farrier service, and dietary supplements for mares used exclusively for farming (i.e., the commercial breeding and raising of horses, or "farm work stock").
- Purchases of feed, farrier services, or dietary supplements that you resell to your customers.
- Charges for taking care of horses on a customer's property.
- Your commission for arranging the sale of a horse between a buyer and seller if the seller is made known to the buyer and the buyer pays the seller directly for the horse.

See "[Horse Boarding and Other Related Activities](#)" for more information.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of February 19, 2020: Section 77.54, Wis. Stats., and secs. Tax 11.12 and 11.65, Wis. Adm. Code.

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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