

**TABLE 2
SALES AND USE TAX EXEMPTION DEVICES SUMMARY**

Exemption	Statutory Reference*	FY08 Fiscal Effect
Exemptions for Property Sold Primarily to Households		
Food, Food Products, and Beverages	Sec. 77.54 (20) and (20m)	\$598,000,000
Meals Furnished by Institutions of Higher Education	Sec. 77.54 (20) (c) 5.	4,900,000
Water Sold Through Mains	Sec. 77.54 (17)	19,500,000
Fuel and Electricity for Residential Use	Sec. 77.54 (30) (a) 1. and 2.	154,500,000
Biomass Used for Residential Fuel	Sec. 77.54 (30) (a) 1m.	Minimal
Manufactured Homes and Mobile Homes Used as Primary Housing	Sec. 77.51 (4) (b) 6. and 7., (15) (b) 5 and 6, 77.54 (31)	600,000
Motor Fuels	Sec. 77.54 (11)	577,000,000
Newspapers, Periodicals and Shoppers Guides	Sec. 77.54 (15)	15,600,000
Caskets and Burial Vaults	Sec. 77.54 (21)	4,100,000
U.S. and State of Wisconsin Flags	Sec. 77.54 (46)	Minimal
Coin-Operated Laundry and Dry Cleaning Services	Sec. 77.52 (2) (a) 6.	1,300,000
Cloth Diapers and Diaper Services	Sec. 77.51 (1m) and (3m), 77.52 (2) (a) 6. and 77.54 (40)	Minimal
Gun Club Admissions and Membership Fees	77.52 (2) (a) 2. b.	Unavailable
Exemptions Related to Health Care		
Prescription Drugs and Medicines (excluding Insulin)	Sec. 77.54 (14)	157,200,000
Insulin and Equipment Used in the Treatment and Testing of Diabetes	Sec. 77.54 (14m) and (28)	12,500,000
Medical Devices (inc. Wheelchairs, Home Oxygen Equipment)	Sec. 77.54 (14s) and (22)	13,600,000
Meals Provided by Nursing Homes, Community-Based Residential Facilities and Hospitals, and Food Sold in Retirement Homes	Sec. 77.54 (20) (c) 4.	Not available
Exemptions Related to Farming		
Tractors and Farm Machinery	Sec. 77.54 (3) (a)	27,500,000
Personal Property and Supplies Used in Farming	Sec. 77.54 (3m)	158,000,000
Electricity Used in Farming	Sec. 77.54 (30) (a) 3.	8,800,000
Fuel Used in Farming	Sec. 77.54 (30) (a) 5.	13,500,000
Veterinary Services and Medicines for Farm Livestock	Sec. 77.52 (2) (a) 10. and 77.54 (33)	6,900,000
Semen for Livestock Breeding	Sec. 77.54 (27)	2,700,000
Milkhouse Supplies	Sec. 77.54 (34)	5,800,000
Certain Products Using Alternative Energy, Including Methane	Sec. 77.54 (56) Effective 7/1/09	-0-
Exemptions Related to General Business		
Machinery and Equipment Used in Manufacturing	Sec. 77.54 (5) (d) and (6) (a)	173,000,000
Fuel and Electricity Used in Manufacturing		90,500,000
Tangible Personal Property Consumed in Manufacturing	Sec. 77.54 (2)	Not available
Component Parts of Shoppers Guides, Newspapers and Periodicals	Sec. 77.54 (2m)	Not available
Catalogs and Catalog Envelopes	Sec. 77.52 (2) 11., 77.54 (25) and 77.54(25m) Effective 4/1/09	-0-
Fuels Converted to Electric Energy, Gas or Steam by Utilities	Sec. 77.54 (6) (c)	Not available
Waste Treatment Facilities and Machinery and Equipment Used in Recycling	Sec. 77.54 (5) (c), (26) and (26m)	Not available
Logging Equipment	Sec. 77.54 (39)	500,000

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Exemption	Statutory Reference*	FY08 Fiscal Effect
Exemptions Related to General Business, continued		
Equipment Used in the Production of Maple Syrup	Sec. 77.54 (29)	Minimal
Wood Residue Used as Fuel in a Business Activity	Sec. 77.54 (30) (a) 4.	170,000
Building Materials, Equipment and Supplies Used in the Construction of Professional Sports Stadiums	Sec. 77.54 (41)	Not available
Live Game Birds and Clay Pigeons	Sec. 77.54 (47)	200,000
Trucks, Tractors, Buses and Other Vehicles Sold to Common or Contract Carriers	Sec. 77.54 (5) (b)	33,000,000
Rolling Stock Used in Railroad Operations	Sec. 77.54 (12)	2,200,000
Commercial Vessels and Barges	Sec. 77.54 (13)	Minimal
Containers, Labels, Sacks, Cans, Boxes and Other Packaging and Shipping Materials	Sec. 77.54 (6) (b)	Not available
Motion Picture and TV Film and Advertising Materials	Sec. 77.54 (23m)	13,400,000
Restaurant Employee Meals	Sec. 77.54 (20) (c) 4m.	Not available
Tangible Personal Property Purchased for Resale but Donated to a Nonprofit Organization	Sec. 77.56 (3)	Not available
Use of Prepaid Telephone Cards and Authorization Numbers	Sec. 77.54 (46m)	0
Broadband Equipment for Rural Areas	Sec. 77.51 (6m) & 77.54 (48)	2,500,000
Sales to Affiliated Companies	Sec. 77.54 (49)	Not available
Exemptions for Government Agencies and Nonprofit Organizations		
Sales to the Federal Government and Its Agencies	Sec. 77.55 (1)	Not available
Sales to State and Local Governments and Schools	Sec. 77.54 (9a) (a)-(em), (g) and (h)	340,000,000
Religious, Charitable, Scientific and Educational Organizations	Sec. 77.54 (9a)(f)	156,000,000
Lunches and Other Tangible Personal Property Sold by Elementary and Secondary Schools	Sec. 77.54 (4)	10,300,000
Admissions to Elementary and Secondary School Activities	Sec. 77.54 (9)	900,000
Admissions to State Parks and Camping Fees	Sec. 77.54 (10)	900,000
Admissions to Certain Historical Museums	Sec. 77.54 (10)	23,000
Admissions to County Fairs	Sec. 77.52 (2) (a) 2.	Not available
Volunteer Fire Department Equipment	Sec. 77.54 (16)	Minimal
Copies of Public Records	Sec. 77.54 (32)	Minimal
Sales by American Legion Baseball Teams	Sec. 77.54 (35)	Not available
Snowmobile Trail Grooming Equipment	Sec. 77.54 (38)	Minimal
Charges for 911 and E-911 Emergency Telephone Systems	Sec. 77.51 (15) (b) 7. and 77.54 (37)	2,000,000
Sales of Animal Identification Tags and Samples by the Department of Agriculture, Trade and Consumer Protection	Sec. 77.54 (42)	57,000
Public Benefits Fees	Sec. 77.54 (44)	9,200,000
One-time License or Right to Purchase Admissions to Professional Football Games	Sec. 77.54 (45)	Minimal
Motor Vehicles Loaned to Driver Education Programs	Sec. 77.56 (2)	Minimal
Nonprofit Cemetery Associations	Sec. 77.54 (9a) (i) Effective 7/1/09	-0-
Home Exchange Services	Sec. 77.54 (54)	Minimal
Exemptions for Nonresidents and for Use in Other States		
Interstate Commerce	Sec. 77.54 (1)	Not available
Property Used in Wisconsin by Nonresidents	Sec. 77.53 (17)	Not available
Nonresidents' Boats Berthed in Boundary Waters	Sec. 77.53 (17m)	Not available
Nonresidents' Aircraft Hangared in Wisconsin	Sec. 77.53 (17r)	Not available
Goods Brought into the State by New Residents	Sec. 77.53 (18)	Not available

TABLE 2
SALES AND USE TAX EXEMPTION DEVICES SUMMARY, continued

Exemption	Statutory Reference*	FY08 Fiscal Effect
Exemptions for Nonresidents and for Use in Other States, continued		
Property Purchased for Use Outside the State	Sec. 77.55 (3)	Not available
Aircraft, Motor Vehicles and Truck Bodies Sold for Use Outside the State	Sec. 77.54 (5)(a)	Not available
Property Sold to Out-of-State Common or Contract Carriers	Sec. 77.55 (2) and (2m)	Not available
Printed Advertising Material Used Outside the State	Sec. 77.54 (25)	Not available
Temporary Storage of Printed Materials	Sec. 77.54 (43)	Not available
Definitional and Miscellaneous Exemptions		
Exemptions That Further Define Retail Sales	See text	Not available
Labor Input into Construction	Sec. 77.51 (4) (c) 4. and 77.52 (2) (a) 10.	695,000,000
Trade-Ins and Lemon Law Refunds	Sec. 77.51 (4) (a) 3., (b) 3m. and (15) (b) 4m.	113,000,000
Transportation Charges	Sec. 77.51 (4) (b) 5. and (15)(b) 3.	Not available
Occasional Sales	Sec. 77.54 (7) and (7m)	Not available
Auction Sales	Sec. 77.51 (9) (e)	Not available
Retailer's Discount	Sec. 77.61 (4) (c)	24,600,000

* References are to the 2005-06 Wisconsin Statutes.

TABLE 3
SALES AND USE TAX EXEMPTIONS-SERVICES

Exemption	FY08 Fiscal Effect
Personal and Recreational Services	
Beauty, Barber, Nail and Other Personal Care Services	\$29,800,000
Funeral Services, excluding Caskets and Vaults	10,100,000
Dues and Fees Paid to Business Associations and Fraternal Organizations	11,600,000
Health Clubs	12,600,000
Admissions to Educational Events and Places	7,100,000
Veterinary Services for Pets	19,200,000
Auto and Travel Clubs	3,900,000
Professional Services	
Services of Physicians, Dentists and Other Health Professionals	558,500,000
Legal Services	135,600,000
Architectural, Engineering, Testing Laboratory and Surveying Services	84,500,000
Accounting Services	50,500,000
Tax Preparation Services	5,800,000
Business Services	
Computer Services (inc. data processing and custom programming)	101,100,000
Management, Scientific, and Technical Consulting Services	76,200,000
Scientific Research and Development Services	28,700,000
Employment Placement Services	5,000,000
Advertising – Development and Placement (excludes Public Relations)	54,700,000
Public Relations	3,600,000
Credit Rating and Collection Services	7,000,000
Investigation and Security Services	19,500,000
Services Related to Real Property	
Commissions to Real Estate Brokers	43,400,000
Repair of Real Property	43,300,000
Interior Design	2,600,000
Janitorial Services	26,100,000
Disinfecting and Exterminating	3,200,000
Sewerage Services	27,500,000

DISTRIBUTION OF NET INCOME TAX LIABILITY INCOME GROUP

This chart can be used if your group wants to consider an income tax surcharge. For example, looking at the **Amount (\$)** column below, a 10% income tax surcharge on filers with adjusted gross income (WAGI) over \$1 million would generate \$48.3 million (\$483,076,504 x 10%).

**TABLE 2D
DISTRIBUTION OF TAX FILERS AND TOTAL NET TAX LIABILITY BY WAGI CLASS, TAX YEAR 2006**

WAGI Class	Tax filers		Total Net Tax Liability (Net + Minimum Tax)			
	Count	%	Amount (\$)	%	Average (\$)	Average Tax Rate (%)**
Less than \$0	55	0.0%	\$157,173	0.0%	\$2,858	0.0%
\$0 - <\$5,000	34,853	1.7	2,874,883	0.1	82	0.4
\$5,000 - <\$10,000	42,294	2.1	5,006,349	0.1	118	0.3
\$10,000 - <\$15,000	113,744	5.6	18,457,936	0.3	162	0.7
\$15,000 - <\$20,000	146,943	7.2	46,323,841	0.8	315	1.4
\$20,000 - <\$25,000	162,272	8.0	88,041,223	1.5	543	2.2
\$25,000 - <\$30,000	160,807	7.9	128,776,056	2.2	801	2.8
\$30,000 - <\$40,000	274,599	13.5	337,469,761	5.9	1,229	3.5
\$40,000 - <\$50,000	220,091	10.9	391,513,345	6.8	1,779	3.9
\$50,000 - <\$70,000	339,853	16.8	877,136,367	15.3	2,581	4.3
\$70,000 - <\$100,000	293,993	14.5	1,167,858,412	20.3	3,972	4.8
\$100,000 - <\$200,000	191,714	9.5	1,298,556,641	22.6	6,773	5.2
\$200,000 - <\$500,000	36,621	1.8	619,153,885	10.8	16,907	5.8
\$500,000 - <\$1,000,000	6,808	0.3	282,324,905	4.9	41,470	6.1
\$1,000,000 and over	3,187	0.2	483,076,504	8.4	151,577	5.6
TOTAL	2,027,834	100.0%	\$5,746,727,281	100.0%	\$2,834	4.4%

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

**Tax as % of WAGI.