

**Important Rate Changes!**

**BEGINNING JANUARY 1, 2024:**

- Milwaukee County sales and use tax rate increases from 0.5% to 0.9%
- City of Milwaukee imposes a new 2% sales and use tax
- See [Fact Sheet 2414 Milwaukee Sales and Use Taxes](#)

See the [Sales Tax Rate Chart](#) for a complete list of county sales and use tax rates and their effective dates

# Hospitals and Medical Clinics

## How Do Wisconsin Sales and Use Taxes Affect Your Business?

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## I. INTRODUCTION

### A. General

This publication explains how Wisconsin state sales and use taxes affect hospitals and medical clinics. It includes examples of taxable and nontaxable sales and purchases.

The information in this publication relates to the state's 5% sales and use tax. Sales and purchases by hospitals and medical clinics that are subject to the 5% state sales or use tax may also be subject to the: (a) 0.5% county sales or use tax and (b) 0.1% baseball stadium sales or use tax.. Information about these taxes is contained in [Publication 201](#), *Wisconsin Sales and Use Tax Information*, on the [department's website](#).

**Note:** Prior to October 1, 2015, certain sales and purchases were subject to the 0.5% football stadium sales or use tax.

### CAUTION

The information in this publication reflects the positions of the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature and in effect as of June 1, 2016. Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this publication. Also note that lists of taxable or exempt items in this publication are not all-inclusive. They merely set forth common examples.

## II. NATURE OF SALES AND USE TAX

### A. Who is Subject to Sales Tax?

Persons making retail sales of taxable products or services in Wisconsin are required to remit Wisconsin sales tax on these sales, unless an exemption applies. A seller making taxable sales may collect the tax from the purchaser.

Department stores and restaurants are examples of retailers that sell taxable products and services. While hospitals and medical clinics generally provide nontaxable medical services to patients, hospitals and medical clinics may also make retail sales of taxable products and services, as indicated in Part IV.B.

### B. What is Taxable?

Sales, licenses, leases, and rentals of tangible personal property, certain coins and stamps, certain leased property affixed to realty, certain digital goods, and certain services are subject to the Wisconsin state sales tax. **Note:** Certain sales by a hospital or medical clinic are exempt from tax (see Part VI. for examples).

For further information about these taxable products and services, see [Publication 201](#), *Wisconsin Sales and Use Tax Information*.

### C. Seller's Permit

A seller's permit shows that a person is registered with the Department of Revenue to make taxable sales. A retailer making sales of taxable products or services at retail in Wisconsin must register with the department prior to making taxable sales.

A hospital or medical clinic may apply for a seller's permit by using the Department of Revenue's online [Business Tax Registration System](#). For additional information about how to obtain a seller's permit, see Part III. of [Publication 201, Wisconsin Sales and Use Tax Information](#).

Information about filing sales and use tax returns is also provided in [Publication 201, Wisconsin Sales and Use Tax Information](#), Part VIII.

**Note:** A hospital or medical clinic does not need a seller's permit if it does not make any sales of taxable products or services. See Part IV. for information about when a hospital or medical clinic's sales and services are taxable.

#### **D. What is Use Tax?**

Use tax is imposed upon the storage, use, or other consumption in Wisconsin of taxable products and services for which sales tax was not paid (e.g., seller is an out-of-state company), unless an exemption applies. Use tax is also imposed upon a purchaser when products are purchased without tax for an exempt purpose and used in Wisconsin by the purchaser in a taxable manner. Therefore, a hospital or medical clinic may be subject to use tax on its purchases if the seller did not charge Wisconsin sales tax.

The use tax rate is the same as the sales tax rate and is based on the purchase price of the product. Part VII.B. provides examples of purchases by hospitals or medical clinics that are subject to Wisconsin use tax.

#### **How does a hospital or medical clinic pay use tax?**

If the hospital or medical clinic is registered to collect Wisconsin sales or use taxes on sales to its customers (i.e., holds a seller's permit), it should report and remit its use tax using its Wisconsin sales and use tax return. See Part II.C. for information about whether the hospital or medical clinic is required to register for a seller's permit.

If the hospital or medical clinic does not hold a seller's permit and:

1. The hospital or medical clinic regularly makes purchases subject to use tax, it should apply for a Consumer's Use Tax Certificate by using the Department of Revenue's online [Business Tax Registration System](#) and report use tax on its Wisconsin sales and use tax return, or
2. The hospital or medical clinic does not make purchases subject to use tax on a regular basis, it should report use tax quarterly on [Form UT-5, Consumer Use Tax Return](#).

For additional information, see [Fact Sheet 2104, Wisconsin Use Tax](#), on the Department of Revenue's website.

### **III. DEFINITIONS**

- "Drug" means a compound, substance, or preparation, or any component of them, other than food and food ingredients, dietary supplements, or alcoholic beverages, to which any of the following applies:
  - (a) It is listed in the United States Pharmacopoeia, Homeopathic Pharmacopoeia of the United States, or National Formulary, or any supplement to any of them.
  - (b) It is intended for use in diagnosing, curing, mitigating, treating, or preventing a disease.
  - (c) It is intended to affect a function or structure of the body.

- “Durable medical equipment” means equipment, including the repair parts and replacement parts for the equipment, that is primarily and customarily used for a medical purpose related to a person; that can withstand repeated use; that is not generally useful to a person who is not ill or injured; and that is not placed in or worn on the body. “Durable medical equipment” does not include mobility-enhancing equipment.
- "Hospital," as used in this publication, includes medical clinics and means any building, structure, institution or place devoted primarily to the maintenance and operation of facilities for the diagnosis, treatment of and medical or surgical care for 3 or more nonrelated individuals hereinafter designated patients, suffering from illness, disease, injury or disability, whether physical or mental, and including pregnancy and regularly making available at least clinical laboratory services, and diagnostic X-ray services and treatment facilities for surgery, or obstetrical care, or other definitive medical treatment.

"Hospital" may include, but not in limitation thereof by enumeration, related facilities such as outpatient facilities, nurses', interns' and residents' quarters, training facilities and central service facilities operated in connection with hospitals.

"Hospital" includes "special hospitals" or those hospital facilities that provide a limited type of medical or surgical care, including orthopedic hospitals, children's hospitals, critical access hospitals, mental hospitals, psychiatric hospitals or maternity hospitals.

- "Medical clinic" means a "hospital" as previously defined.
- “Mobility-enhancing equipment” means equipment, including the repair parts and replacement parts for the equipment, that is primarily and customarily used to provide or increase the ability of a person to move from one place to another; that may be used in a home or motor vehicle; and that is generally not used by a person who has normal mobility. “Mobility-enhancing equipment” does not include a motor vehicle or any equipment on a motor vehicle that is generally provided by a motor vehicle manufacturer. “Mobility-enhancing equipment” does not include durable medical equipment.
- "Prosthetic device" means a replacement, corrective, or supportive device, including the repair parts and replacement parts for the device, that is placed in or worn on the body to artificially replace a missing portion of the body; to prevent or correct a physical deformity or malfunction; or to support a weak or deformed portion of the body.
- "Use in a person's home" means sold to an individual for use where they are living, regardless of whether the individual resides in a single family home, apartment building, nursing home, assisted living center, convalescent home, or school dormitory.

"Use in a person's home" does not include purchases by a hospital, clinic, nursing home, assisted living center, convalescent home, dental office, chiropractor, or optician's office. In addition, purchases by a nursing home, assisted living center, and convalescent home are not for use in a person's home even if purchased for use by the residents of the nursing home, assisted living center, or convalescent home.

## IV. SALES BY HOSPITALS AND MEDICAL CLINICS

### A. Nontaxable Sales

Nontaxable sales by hospitals and medical clinics include the following (this list is not all-inclusive):

#### 1. Medical Services

Charges by hospitals and medical clinics for medical services, including health screenings, are not subject to Wisconsin sales tax.

#### 2. Rooms for Patients

A hospital or medical clinic's separate charge for rooms to patients receiving medical services is not taxable.

**Note:** Charges by hospitals and medical clinics for rooms made available to visitors who are not receiving medical services are also not taxable.

#### 3. Products and Supplies Transferred or Used in Providing Medical Services

A hospital or medical clinic's separate charge for products and supplies that are provided to patients with medical services or used in conjunction with medical services is not taxable. Examples include (this list is not all-inclusive):

- Adhesive tape
- Anesthesia and anesthesia supplies
- Antibiotic creams and ointments
- Arm slings
- Bandages, gauze and cotton
- Blood and blood plasma
- Cold and hot packs
- Crutches
- Dressings
- Drugs (see Part VI.A. for more information)
- Durable medical equipment (see Part VI.B. for more information)
- Elastic bandages and supports
- Laboratory supplies
- Medical supplies
- Mobility-enhancing equipment (see Part VI.C. for more information)
- Needles and syringes
- Oxygen
- Prosthetic devices (see Part VI.D. for more information)
- Splints and cast materials
- Staples and sutures
- Vaccines
- Wheelchairs
- X-ray supplies

**Example:** Hospital provides medical services to Patient with a broken arm. On the invoice to Patient, Hospital has separate line charges for the medical service, cast materials, and x-ray supplies. The sale by Hospital of the medical service is not subject to Wisconsin sales or use tax. The charge by Hospital for the cast materials and x-ray supplies provided in conjunction with the medical service is also not taxable. Hospital is subject to Wisconsin sales or use tax on its purchase of the x-ray supplies that it uses in providing the medical service, unless an exemption applies (e.g., the hospital has a Wisconsin Certificate of Exempt Status number). Hospital is not subject to tax on its purchase of the cast materials because Hospital is purchasing a prosthetic device. (See Part VI.D. for information and examples of prosthetic devices.)

See Part VII.B.1.b. for more information on a hospital or medical clinic's purchase of tangible personal property transferred or used in providing medical services.

#### 4. Food and Food Ingredients

Sales by hospitals and medical clinics of all food and food ingredients, except soft drinks (see Part IV.B.6.), are exempt from Wisconsin sales or use tax. Exempt sales of food and food ingredients include sales to patients, employees, and visitors. Examples include (this list is not all-inclusive):

- Candy bars
- Chewing gum
- Coffee
- Cookies
- Crackers
- Doughnuts
- Foods sold in a heated state (e.g., hamburgers, soup)
- Ice cream
- Fruit
- Fruit or vegetable juices that contain more than 50% juice by volume
- Granola bars
- Potato chips
- Salads
- Water, unsweetened
- Yogurt

**Note 1:** Nontaxable sales of food and food ingredients include sales made through a cafeteria, restaurant, gift shop, or a vending machine that is operated by the hospital or medical clinic. Additional information about who is the operator of a vending machine can be found in sec. [Tax 11.52](#), Wis. Adm. Code, "Coin-operated vending machines and amusement devices."

In addition, charges for prepared food sold to the elderly or handicapped by hospitals and medical clinics providing "mobile meals on wheels" are not taxable.

For more information, see the article titled ["Sales of Food and Food Ingredients by Hospitals and Other Facilities"](#) on the Department of Revenue's website.

**Note 2:** Sales of candy, soft drinks, dietary supplements, and prepared food by someone other than the hospital or medical clinic may be subject to Wisconsin sales tax. See [Publication 236](#), *Restaurants and Bars*, for additional information.

## 5. Copies of Medical Records

Charges by hospitals and medical clinics for copies of patient health care records (i.e., medical records) to the patient or to a person authorized by the patient to receive the medical records are not subject to Wisconsin sales tax. This includes patient health care records that are transferred as a paper copy, on a tangible medium (e.g., CD), and copies that are transmitted electronically.

## B. Taxable Sales

Taxable sales by hospitals and medical clinics to its customers include the following (this list is not all-inclusive):

**Note 1:** Sales of taxable products and services by a hospital or medical clinic that does not hold and is not required to hold a seller's permit may be exempt from Wisconsin sales tax if those sales qualify as occasional sales. See Part V. for information on occasional sales.

**Note 2:** Taxable sales do not include sales that occur outside Wisconsin (e.g., property is shipped to a location outside Wisconsin).

### 1. Property Transferred Without Medical Services

Sales of products and supplies by hospitals and medical clinics that are sold without providing medical services are subject to Wisconsin sales tax.

**Note:** Charges by hospitals and medical clinics for drugs, durable medical equipment, mobility-enhancing equipment, and prosthetic devices without providing medical services may be exempt from Wisconsin sales and use tax. See Part VI. for more information on medical-related exemptions.

### 2. Medical Alarm Monitoring Services

Charges by hospitals and medical clinics for medical alarm monitoring services are subject to Wisconsin sales tax as a telecommunications message service.

Additional information is provided in Part X.B.13. of [Publication 201](#), *Wisconsin Sales and Use Tax Information*.

**Example 1:** Customer pays a monthly fee to Hospital for an emergency monitoring service. Hospital contracts with Monitoring Company to provide the monitoring service. The agreement between Hospital and Customer requires Customer to use equipment furnished by Hospital. Hospital provides Customer a device with a help button that alerts Monitoring Company's medical alert call station when Customer signals an emergency. The device also includes a speaker and voice capabilities that allows Customer the ability to communicate with the medical alert call station. Based on Customer's call list, the medical alert call station alerts an emergency response unit in Wisconsin.

The charge by Hospital to Customer for the monthly emergency monitoring service (including any charge for the equipment) is subject to Wisconsin sales or use tax as a charge for a telecommunications message service. Hospital may purchase the emergency monitoring service from Monitoring Company without tax by providing Monitoring Company a fully completed exemption certificate (Appendix A), claiming resale. Hospital must pay Wisconsin sales or use tax on its purchase of the equipment (e.g., device with help button) that is provided to Customer with the emergency monitoring service.



**Example 2:** Same as *Example 1*, except Customer has the option of receiving the required equipment (e.g., device with help button) from Hospital, Monitoring Company, or a third-party vendor and receive the monitoring service from Hospital for a lesser amount.

The charge by Hospital to Customer for the monthly emergency monitoring service is subject to Wisconsin sales or use tax as a charge for a telecommunications message service. Hospital may purchase, without tax, the equipment it provides to Customer with the emergency monitoring service by providing the vendor of the equipment a fully completed exemption certificate (Appendix A), claiming resale.

**Example 3:** Customer pays a monthly fee to Hospital for a health monitoring service. As part of the health monitoring service, Hospital provides Customer with a monitor and scale which are used daily by Customer to send various vital signs (e.g., heart rate, blood pressure, temperature) via telephone line to Hospital. Hospital uses the vital sign information to monitor and provide an assessment of Customer's health condition. In the event of a change in the health condition of Customer, Hospital contacts Customer to address the medical concerns. Customer is required to use the equipment furnished by Hospital in order to receive the health monitoring service.

The charge by Hospital to Customer for the health monitoring service is not taxable since the health monitoring service is provided incidentally with the medical service. Hospital must pay Wisconsin sales or use tax on its purchase of the equipment (i.e., monitor, scale) and the telecommunications message service that is provided to Customer with the health monitoring service.

### 3. Rentals of Medical Equipment

A hospital and medical clinic's rental of medical equipment to patients, doctors, or other hospitals and medical clinics is subject to Wisconsin sales tax.

**Note:** Rental charges for durable medical equipment, mobility-enhancing equipment, and prosthetic devices may be exempt from Wisconsin sales and use taxes. See Part VI. for more information on medical related exemptions.

### 4. Sales of Used Medical and Office Equipment

Sales of medical and office equipment previously used in operating the hospital or medical clinic are subject to Wisconsin sales tax.

**Note:** Sales of used durable medical equipment and used mobility-enhancing equipment may be exempt from Wisconsin sales and use tax. For more information, see Part VI.B. for durable medical equipment and Part VI.C. for mobility-enhancing equipment.

### 5. Parking Fees

Charges by hospitals and medical clinics for providing parking or parking spaces for motor vehicles are taxable.

### 6. Soft drinks

Charges by hospitals and medical clinics for soft drinks are taxable. A beverage with less than 0.5 percent alcohol and containing a natural or artificial sweetener is a soft drink, except for a beverage containing:

- Milk or a milk product
- Soy, rice, or similar milk substitutes
- Fifty percent or more vegetable or fruit juice by volume

**Note 1:** A hospital or medical clinic's sale of beverages that contain less than 0.5% alcohol and that are not soft drinks are not taxable. These nontaxable sales include sales made by cafeterias, restaurants, gift shops, and vending machines operated by the hospital or medical clinic. If the cafeteria, restaurant, gift shop, or vending machine is operated by someone other than the hospital or medical clinic, sales of these beverages may be subject to Wisconsin sales tax. See [Publication 236](#), *Restaurants and Bars*, for additional information.

Additional information about who is the operator of a vending machine can be found in sec. [Tax 11.52](#), Wis. Adm. Code, "Coin-operated vending machines and amusement devices."

**Note 2:** Charges by hospitals and medical clinics for alcoholic beverages (containing 0.5% or more of alcohol) are taxable.

## 7. Cafeteria, Gift Shop, Restaurant, and Vending Machine Sales

Sales of tangible personal property at cafeterias, gift shops, restaurants, and vending machines are subject to Wisconsin sales tax. Examples include (this list is not all-inclusive):

- Balloons
- Cell phone chargers
- Earbuds and head phones
- Flowers
- Greeting cards
- Soft drinks (see Part IV.B.6. for more information)
- Toiletries

**Note 1:** Sales of food and food ingredients (e.g., candy, heated foods, potato chips), except soft drinks, by hospitals or medical clinics are not taxable. This treatment also applies when the sale is made through the cafeteria, gift shop, restaurant, or vending machine which is operated by the hospital or medical clinic. See Part IV.A.4. for additional information.

Additional information about who is the operator of a vending machine can be found in sec. [Tax 11.52](#), Wis. Adm. Code, "Coin-operated vending machines and amusement devices."

**Note 2:** Sales of candy, soft drinks, dietary supplements, and prepared food by someone other than the hospital or medical clinic may be subject to Wisconsin sales tax. See [Publication 236](#), *Restaurants and Bars*, for additional information.

## 8. Equipment Cleaning and Sterilization Services

Charges by hospitals and medical clinics for equipment cleaning and sterilization services are subject to Wisconsin sales tax. This includes cleaning and sterilization services sold to a separate business entity operating within the hospital or medical clinic.

## 9. Sales by Auxiliaries

Hospitals and medical clinics are liable for sales tax on sales of taxable products and services made by auxiliaries that are part of the same entity as the hospital or medical clinic (e.g., gift shop sales, fundraising sales).

## V. OCCASIONAL SALES

Sales of items listed in Part IV.B. may be exempt from Wisconsin sales and use tax as occasional sales if certain conditions are met. If a hospital or medical clinic's sales qualify for the occasional sale exemption, the hospital or medical clinic is not required to remit Wisconsin sales tax on such sales.

A hospital or medical clinic is required to pay Wisconsin sales or use tax on its purchases of taxable products and services which it resells as exempt occasional sales, unless an exemption applies (e.g., the hospital has a Wisconsin Certificate of Exempt Status number).

**Note:** Different standards apply for occasional sales made by nonprofit organizations. If the hospital or medical clinic is a nonprofit organization, see [Publication 206](#), *Sales Tax Exemption for Nonprofit Organizations*, for information about the applicable occasional sale exemption.

A hospital or medical clinic qualifies for the occasional sale exemption if:

- a. It does not hold and is not required to hold a Wisconsin seller's permit, and
- b. It meets either Condition 1 or Condition 2 (below).

**Condition 1** - Its "taxable sales" of taxable products and services are less than \$1,000 during the calendar year. "Taxable sales" means total taxable receipts from sales of taxable products and services, after subtracting allowable deductions.

**Example:** Hospital does not hold a Wisconsin seller's permit. Hospital sells medical supplies during the year totaling \$1,200 in sales. Fully completed exemption certificates (see Appendix) were provided to Hospital for \$300 of these sales. Hospital did not sell any other taxable products or services during the year.

Hospital's sales of the medical supplies qualify for the occasional sale exemption because Hospital's "taxable sales" are less than \$1,000 (i.e., \$1,200 - \$300 = \$900). **Note:** Since Hospital's sales of medical supplies qualify for the occasional sale exemption, Hospital is not required to charge sales tax to the purchaser. However, Hospital is required to pay Wisconsin sales or use tax on its purchase price of the medical supplies it sells, unless an exemption applies (e.g., the hospital is an exempt entity).

**Condition 2** - Its "taxable sales" of taxable products and services are \$1,000 or more during the calendar year, but (a) its sales of such property and services are isolated and sporadic, and (b) the facts and circumstances, including the sales price and gross profit, support the inference that the hospital is not pursuing a business or part-time business as a vendor of tangible personal property or taxable services.

**Example:** Hospital does not hold a seller's permit. Hospital sells one piece of used equipment for \$10,000. Hospital makes no other sales of taxable products or services during the calendar year.

Although Hospital's sales of taxable products and services are more than \$1,000, its sale of the used equipment is exempt from Wisconsin sales and use tax because (a) the sales occur on an isolated and sporadic basis (e.g., only one taxable sale in the year), and (b) the facts and circumstances support the inference that Hospital is not pursuing a business or part-time business as a vendor of personal property or taxable services (i.e., Hospital makes no other sales of taxable products or services).

**Note:** If a hospital or medical clinic has a question as to whether its sales qualify for the occasional sale exemption, it should write to the Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949 or email the department at [DORSalesandUse@revenue.wi.gov](mailto:DORSalesandUse@revenue.wi.gov).

Additional information about the occasional sales exemption, including information about how to determine "taxable sales," is provided in [Wisconsin Tax Bulletin #122-30](#) (October 2000).

## **VI. MEDICAL RELATED EXEMPTIONS**

### **A. Drugs**

A hospital or medical clinic's charge for drugs that it furnishes for treatment of any person and that are ordered by a licensed physician, surgeon, or podiatrist is not subject to Wisconsin sales tax. Purchases of drugs by hospitals and medical clinics for the treatment of human beings are also not taxable. Examples include (this list is not all-inclusive):

- Acne medications
- Alcohol (rubbing)
- Analgesics (e.g., acetaminophen, ibuprofen)
- Antibiotic creams and ointments
- Antifungal creams and sprays
- Burn remedies
- Contraceptives (creams, gels, foams, and medicated condoms)
- Cold and cough medicines, drops, and lozenges
- Diaper rash creams
- Hand sanitizers
- Insulin
- Oxygen
- Prescription medicines
- Sterile water (for injections)
- Sterile normal saline .9% (IV or irrigation)
- Vaccines
- Yeast infection medications

See sec. [Tax 11.09](#), Wis. Adm. Code, "Drugs," for additional information.

### **B. Durable Medical Equipment**

A hospital or medical clinic's sale of durable medical equipment that is not provided in conjunction with medical services is not taxable if the equipment is sold for use in a person's home (see Part III. for the definition of "use in a person's home"). Sales of accessories, repair parts and replacement parts for exempt durable medical equipment are also not taxable. Examples include (this list is not all-inclusive):

- Alternating pressure pads and decubitus pads (to eliminate bed sores)
- Apnea monitors
- Billie lights (used for yellow jaundice)
- Blood glucose monitoring machines
- Heat lamps
- Heating pads
- Lambs wool pads

- Medical instruments
- Medical monitoring equipment
- Nebulizers
- Pacemaker programmers and transmitters
- Speech aids (hand held)
- Stirrups
- Thermometers (oral, rectal, ear, etc.)
- Vaporizers
- Ventilators, anesthesia
- Wheelchair cushions (that brace or support)

See sec. [Tax 11.08\(2\)](#), Wis. Adm. Code, "Durable medical equipment, mobility-enhancing equipment, and prosthetic devices," for additional information.

**Note 1:** A hospital or medical clinic's separate charge for durable medical equipment provided to patients with medical services is not taxable. See Part IV.A.3., for additional information.

**Note 2:** Purchases of durable medical equipment by hospitals or medical clinics used in providing medical services are taxable. See Part VII.B.1.b, for additional information on items purchased and used by hospitals and medical clinics in providing medical services.

### C. Mobility-Enhancing Equipment

All sales and purchases by hospitals and medical clinics of mobility-enhancing equipment that are for human use are exempt from Wisconsin sales or use tax. Sales and purchases of accessories, repair parts and replacement parts for the mobility-enhancing equipment are also exempt. Examples include (this list is not all-inclusive):

- Adjustable or raised toilet seat
- Tub and shower stools
- Bed pull-up Ts
- Canes
- Crutches
- Grab bars and hand rails
- Lift chairs
- Patient lifts
- Scooters and transporters for disabled persons
- Specialty chairs
- Transfer belts and benches
- Walkers
- Wheelchairs and ramps

See sec. [Tax 11.08\(3\)](#), Wis. Adm. Code, "Durable medical equipment, mobility-enhancing equipment, and prosthetic devices," for additional information.

#### D. Prosthetic Devices

All sales and purchases by hospitals and medical clinics of prosthetic devices that are for human use are exempt from Wisconsin sales or use tax. Sales and purchases of accessories, repair parts and replacement parts for the prosthetic device are also exempt. Examples include (this list is not all-inclusive):

- Abdominal belts and supports
- Ace bandages
- Arm slings
- Arterial prostheses (artificial arteries implanted into humans)
- Artificial body parts (eyes, heart valves, limbs, etc.)
- Body implants (bone, hip, knee, ocular, etc.)
- Bone cement and wax
- Bone pins, plates, nails, screws, etc.
- Breast implants
- Burn garments
- Casts, foam padding inside, any part of cast
- Catheters
- Cervical collars
- Cochlear implant devices
- Collagen implants
- Colostomy devices
- Compression sleeves and stockings
- Drainage catheters
- Drains, shunts
- Elastic bandages and supports (wrist, ankle, knee, etc.)
- Gastric bands and intragastric balloons
- Hearing aids and batteries
- Insulin pumps
- Knee immobilizers
- Mastectomy surgical bras
- Maxillofacial devices (implanted)
- Nasal cannulas
- Ostomy adhesives, barriers, catheters, leg bags and straps, drain bags and pouches, drain valves and tubes, stoma caps, tubing, hernia belts
- Pacemakers
- Pressure garments (edema gloves and mast pants)
- Salem sump (used to fill or empty stomach)
- Seraphim (barrier to separate tissue in the body)
- Slings
- Splints, air or other
- Staples and sutures
- Stents

- Stump shrinkers
- Suspensories
- Synthetic skin implants
- Tissue expander (stimulates skin growth)
- Trachea tubes
- Tracheostomy
- Traction devices (cervical, pelvic)
- Trusses
- Vena cava filters

See sec. [Tax 11.08\(4\)](#), Wis. Adm. Code, "Durable medical equipment, mobility-enhancing equipment, and prosthetic devices," for additional information.

## VII. PURCHASES BY HOSPITALS AND MEDICAL CLINICS

### A. Nontaxable Purchases

In addition to the exempt purchases listed in Part VI., certain purchases made by hospitals and medical clinics may not be taxable. Some hospitals and clinics are exempt on all of their purchases. The following explains when a hospital or medical clinic's purchases are not taxable (this list is not all-inclusive):

#### 1. Hospital or Medical Clinic is a Governmental Unit

All purchases made by a hospital or medical clinic that is a Wisconsin or federal governmental unit or a federally recognized Native American tribe or band in Wisconsin are exempt from Wisconsin sales and use tax.

To claim the exemption, the governmental unit or tribe or band must give the seller one of the following:

- A completed purchase order or similar document clearly identifying the governmental unit or tribe or band as the purchaser.
- A Wisconsin sales and use tax exemption certificate (Appendix A).
- The Certificate of Exempt Status (CES) number issued by the Department of Revenue.

**Note 1:** A federal or Wisconsin governmental unit or tribe or band is not required to obtain a CES number from the Department of Revenue but may apply and obtain one for purchasing simplification. See Part VII.A.2. for more information about applying for a CES number.

**Note 2:** This exemption does not apply to purchases made by state and municipal governmental units from other states.

#### 2. Nonprofit Hospital or Medical Clinic

All purchases made by a hospital or medical clinic are exempt from tax if the hospital or clinic is organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals. If the nonprofit hospital or medical clinic is located in Wisconsin, it must obtain exempt status by applying for a Certification of Exempt Status (CES) number on [Form S-103, Application for Wisconsin Sales and Use Tax Certificate of Exempt Status](#), with the Department of Revenue.

If approved, a CES number will be issued by the department. The hospital or medical clinic must provide its CES number to sellers in order to make purchases without tax, and may use an exemption certificate (Appendix A), when claiming exemption.

### 3. Lab Testing Services

A hospital or medical clinic's purchases of lab testing/analysis services (e.g., blood or urine testing) from a third party are not subject to tax when the hospital or medical clinic uses such lab testing/analysis services in providing medical services to its patients.

### 4. Products and Services that are Resold

If a hospital or medical clinic sells products (e.g., soft drinks, needles,) without providing medical services, its sales of these products are taxable, unless an exemption applies (e.g., durable medical equipment for home use). A hospital or medical clinic may purchase such products without tax, for resale. In order to purchase these items without tax, a hospital or medical clinic must provide its supplier with a fully completed exemption certificate (Appendix A), claiming resale.

**Note:** If a hospital or medical clinic's sale of products qualifies for the occasional sale exemption, as explained in Part V., the hospital or medical clinic may not purchase these products without tax for resale. Rather, the hospital or medical clinic must pay sales or use tax on its purchase of these products, unless the hospital is exempt from tax as described in Part VII.A.1. or 2.

### 5. Medical Billing and Invoicing Services

Purchases by hospitals and medical clinics of patient billing or invoicing services are generally not subject to Wisconsin sales or use tax if the hospital or medical clinic is purchasing a data processing service.

**Example 1:** Hospital pays a monthly fee to Billing Agency to create patient billing statements or invoices based on files provided by Hospital. Billing Agency must process the information in the files in order to itemize charges on the billing statement for each patient. After processing, Billing Agency prints and mails the billing statements to the patients. The charge by Billing Agency to Hospital for the billing service is for a non-taxable data processing service.

**Example 2:** Hospital employees use patient records to create itemized billing statements or invoices for each patient. At the end of each week, Hospital employees print all billing statements and provide the statements and envelopes to Mailing Company. Mailing Company charges Hospital a monthly fee to prepare the billing statements for mailing by addressing, enclosing and metering the billing statements before mailing them out. The monthly charge by Mailing Company to Hospital for the mailing service is not subject to Wisconsin sales or use tax.

**Example 3:** Hospital employees use patient records to create itemized billing statements or invoices for each patient. At the end of each week, Hospital employees send all billing statements electronically to Invoicing Company. Invoicing Company charges Hospital a monthly fee to print the billing statements and prepare them for mailing by addressing, enclosing, metering, and mailing out the billing statements. The monthly charge by Invoicing Company to Hospital is for the sale of the printed statements and subject to Wisconsin sales or use tax. While data processing is performed to format the information for printing, the charge for data processing is part of the sales price of the statements. Charges for mailing services and postage that are separately stated on the billing statement, invoice, or similar document that Invoicing Company gives to Hospital are not taxable.



Additional information on determining where the sale of the billing statements or invoices takes place (i.e., sourcing of "other direct mail"), can be found in Part V.G. of [Publication 234](#), *Printers*.

## 6. Real Property Improvements

Purchases of real property and improvements to real property are not subject to Wisconsin sales or use tax. Services to real property are also not taxable. Examples include (this list is not all-inclusive):

- Buildings
- Concrete foundations
- Elevators
- Installed doors
- Installed parking lot lighting
- Land
- Parking lots
- Partitions and movable walls (affixed to walls, floor or ceiling of building)

**Note:** If the hospital or medical clinic purchases materials to make real property improvements, the hospital or medical clinic's purchase of the materials is taxable, unless an exemption applies (e.g., sale to a hospital that is a Wisconsin governmental unit). See [Publication 207](#), *Sales and Use Tax Information for Contractors*, for additional information.

## B. Taxable Purchases

Taxable purchases by a hospital and medical clinic include the following (this list is not all-inclusive):

**Note:** If Wisconsin sales tax is not charged by the supplier of taxable products or services, Wisconsin use tax must be reported and paid by the hospital or medical clinic to the Department of Revenue.

### 1. Taxable Products

The following are examples of taxable products purchased by hospitals and medical clinics that are subject to Wisconsin sales or use tax (these lists are not all-inclusive):

#### a. Office Equipment and Supplies

- Advertising brochures and literature, except:
  - advertising and promotional direct mail,
  - certain catalogs and their mailing envelopes, and
  - certain printed advertising materials transported outside Wisconsin by the printer or the hospital or medical clinic (see [Publication 235](#), *Advertising Companies*)
- Appointment reminder cards
- Cleaning supplies
- Communication equipment such as intercoms and telephones
- Computers and computer supplies
- Copy machines and supplies
- Digital music downloads
- Office furniture

- Paper, pens, and pencils
- Prewritten computer software (e.g. accounting and billing software)

**b. Equipment and Supplies Used in Providing Services to Patients**

- Air purifiers
- Alternating pressure pads and decubitus pads (eliminate bed sores)
- Anesthesia equipment
- Apnea monitors
- Bandages
- Bed pans
- Billie lights (used for yellow jaundice)
- Blankets and sheets
- Blood glucose monitoring machines
- Communication equipment (e.g., intercoms, nurse call systems)
- Cotton
- Cubicle curtains
- Examination tables
- Medical equipment (except mobility-enhancing equipment and prosthetic devices listed in Part VI.C. and D.)
- Exercise equipment
- Facemasks
- Forceps
- Furniture for patient rooms
- Gowns
- Heat lamps
- Hospital beds and mattresses
- Lab equipment and supplies
- Mammography equipment
- Medical instruments
- Medical monitoring equipment
- Needles
- Over the bed tray tables
- Pillows
- Plastic sheets used to make retainers
- Radiology equipment
- Respirators and respiratory bags
- Rubber gloves
- Scales
- Scissors
- Sitz baths
- Stethoscopes
- Stretchers

- Surgical instruments
- Surgical tables
- Syringes
- Telephone alert systems
- Televisions
- Tools
- Ultrasound equipment
- Uniforms and scrubs
- X-ray machines and supplies

**Note:** Items purchased and used by hospitals and medical clinics in providing nontaxable medical services are subject to Wisconsin sales and use tax. Hospitals and medical clinics are deemed the consumers of tangible personal property they furnish to patients in providing medical services, except for purchases of drugs, mobility-enhancing equipment, and prosthetic devices (see Part VI.A., C. and D.).

### c. Promotional Items

If a hospital or medical clinic purchases taxable products (e.g., candy, stickers) and gives them to its customers for no charge, the hospital or medical clinic's purchase of the products is taxable. If the hospital or medical clinic did not pay sales tax to the seller when buying the products, the hospital or medical clinic owes Wisconsin use tax on its purchases of the products.

**Example 1:** Hospital buys candy lollipops without tax, for resale, to sell in its gift shop and also provide to patients. Hospital gives a candy lollipop for no charge to each child who receives medical services. Hospital owes Wisconsin use tax on its purchase of the candy lollipops that it gives away. Hospital does not owe use tax on its purchase of the candy lollipops that it sells in its gift shop.

**Example 2:** Hospital buys cartoon stickers from a vendor located outside Wisconsin and does not pay any sales or use tax to the vendor. Hospital gives a sticker to each child who receives medical services. Hospital owes Wisconsin use tax on its purchase of the stickers.

## 2. Taxable Services

The following are examples of services purchased by hospitals and medical clinics which are subject to Wisconsin sales or use tax (this list is not all-inclusive):

- Cable and satellite television
- Inspecting, repairing, and maintaining tangible personal property (e.g., computers, medical equipment, furnaces, televisions, water softeners, water heaters) – See [Publication 207](#) for additional information
- Internet access services
- Landscaping (see [Publication 210](#) for additional information)
- Parking services
- Telecommunications message services (e.g., alarm monitoring services, paging services)
- Telephone service

## VIII. OTHER INFORMATION FOR HOSPITALS AND MEDICAL CLINICS

Hospitals and medical clinics should be aware of other assessments that they may be liable for.

- [Ambulatory Surgical Centers Assessment](#)
- [Wisconsin Hospital Assessment](#) – (administered by the Department of Health Services)

## IX. KEEPING AWARE OF NEW SALES AND USE TAX DEVELOPMENTS

Hospitals and medical clinics should be aware of changes in the tax laws, court cases, and other published guidance which may affect how to file returns and compute the tax. Check the [department's website](#) regularly for tax news and information.

The Department of Revenue also has several [electronic mailing lists](#) available to the public. The department will send an email to subscribers on information and news specific to the respective list they have signed up for.

## X. DO YOU HAVE QUESTIONS OR NEED ASSISTANCE

If you are unable to find an answer to your question about sales and use taxes on the department's website, you may email, write, or call the department.

Visit our website . . .	<a href="http://revenue.wi.gov">revenue.wi.gov</a>
Email . . .	<a href="mailto:DORSalesandUse@revenue.wi.gov">DORSalesandUse@revenue.wi.gov</a>
Write . . .	Wisconsin Department of Revenue P.O. Box 8949, Mail Stop 5-77 Madison, WI 53708-8949
Telephone . . .	(608) 266-2776
Fax . . .	(608) 267-1030

You may also contact any of the Department of Revenue offices. Please see the department's website for a [listing of offices](#) and their current hours.

APPENDIX A

**WISCONSIN SALES AND USE TAX EXEMPTION CERTIFICATE**

Check One  Single Purchase  Continuous

Purchaser's Business Name	Purchaser's Address
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The above purchaser, whose signature appears on the reverse side of this form, claims exemption from Wisconsin state, county, baseball or football stadium, local exposition, and premier resort sales or use tax on the purchase, lease, license, or rental of tangible personal property, property under sec. 77.52(1)(b), items under sec. 77.52(1)(c), goods under sec. 77.52(1)(d), or taxable services, as indicated by the box(es) checked below.

I hereby certify that I am engaged in the business of selling, leasing, licensing, or renting: \_\_\_\_\_

*(Purchaser's description of property, items, goods, or services sold by purchaser.)*

Purchaser's description of property or services purchased (itemize property, items, or goods purchased if "single purchase"):

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Seller's Name	Seller's Address
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**REASON FOR EXEMPTION**

**Resale** (Enter purchaser's seller's permit or use tax certificate number) \_\_\_\_\_

**Manufacturing and Biotechnology**

- Tangible personal property (TPP) or item under s.77.52(1)(b) that is used exclusively and directly by a manufacturer in manufacturing an article of TPP or items or property under s.77.52(1)(b) or (c) that is destined for sale and that becomes an ingredient or component part of the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale or is consumed or destroyed or loses its identity in manufacturing the article of TPP or items or property under s.77.52(1)(b) or (c) destined for sale.
- Machines and specific processing equipment and repair parts or replacements thereof, exclusively and directly used by a manufacturer in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) and safety attachments for those machines and equipment.
- The repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of machines and specific processing equipment, that the above purchaser would be authorized to purchase without sales or use tax, at the time the service is performed. Tools used to repair exempt machines are not exempt.
- Fuel and electricity consumed in manufacturing tangible personal property or items or property under s.77.52(1)(b) or (c) in this state.  
Percent of fuel exempt: \_\_\_\_\_ %      Percent of electricity exempt: \_\_\_\_\_ %
- Portion of the amount of fuel converted to steam for purposes of resale. Percent of fuel exempt: \_\_\_\_\_ %
- Property used exclusively and directly in qualified research, by persons engaged in manufacturing at a building assessed under s. 70.995, by persons engaged primarily in biotechnology in Wisconsin, or a combined group member conducting qualified research for another combined group member that meets these requirements.

**Farming** (To qualify for this exemption, the purchaser must use item(s) exclusively and directly in the business of farming, including dairy farming, agriculture, horticulture, floriculture, silviculture, or custom farming services.)

- Tractors (except lawn and garden tractors), all-terrain vehicles (ATV) and farm machines, including accessories, attachments, and parts, lubricants, nonpowered equipment, and other tangible personal property or items or property under s.77.52(1)(b) or (c) that are used exclusively and directly, or are consumed or lose their identities in the business of farming. This includes services to the property and items above.
- Feed, seeds for planting, plants, fertilizer, soil conditioners, sprays, pesticides, and fungicides.
- Breeding and other livestock, poultry, and farm work stock.
- Containers for fruits, vegetables, grain, hay, and silage (including containers used to transfer merchandise to customers), and plastic bags, sleeves, and sheeting used to store or cover hay and silage. Baling twine and baling wire.
- Animal waste containers or component parts thereof (may only mark certificate as "Single Purchase").
- Animal bedding, medicine for farm livestock, and milk house supplies.

<b>Governmental Units and Other Exempt Entities</b>	Enter CES No., if applicable
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- The United States and its unincorporated agencies and instrumentalities.
- Any federally recognized American Indian tribe or band in this state.
- Wisconsin state and local governmental units, including the State of Wisconsin or any agency thereof, Wisconsin counties, cities, villages, or towns, and Wisconsin public schools, school districts, universities, or technical college districts.
- Organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals. CES Number \_\_\_\_\_ (Required for Wisconsin organizations).

**Other**

- Containers and other packaging, packing, and shipping materials, used to transfer merchandise to customers of the purchaser.
- Trailers and accessories, attachments, parts, supplies, materials, and service for motor trucks, tractors, and trailers which are used exclusively in common or contract carriage under LC, IC, or MC No. (if applicable) \_\_\_\_\_.
- Machines and specific processing equipment used exclusively and directly in a fertilizer blending, feed milling, or grain drying operation, including repair parts, replacements, and safety attachments.
- Building materials acquired solely for and used solely in the construction or repair of holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer or for storage of such grain, if such structures are used in a fertilizer blending, feed milling, or grain drying operation.
- Tangible personal property purchased by a person who is licensed to operate a commercial radio or television station in Wisconsin, if the property is used exclusively and directly in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.
- Fuel and electricity consumed in the origination or integration of various sources of program material for commercial radio or television transmissions that are generally available to the public free of charge without a subscription or service agreement.  
Percent of fuel exempt: \_\_\_\_\_ %      Percent of electricity exempt: \_\_\_\_\_ %
- Tangible personal property and items, property and goods under s.77.52(1)(b), (c), and (d) to be resold by \_\_\_\_\_ on my behalf where \_\_\_\_\_ is registered to collect and remit sales tax to the Department of Revenue on such sales.
- Tangible personal property, property, items and goods under s.77.52(1)(b), (c), and (d), or services purchased by a Native American with enrollment # \_\_\_\_\_, who is enrolled with and resides on the \_\_\_\_\_ Reservation, where buyer will take possession of such property, items, goods, or services.
- Tangible personal property and items and property under s.77.52(1)(b) and (c) becoming a component of an industrial or municipal waste treatment facility, including replacement parts, chemicals, and supplies used or consumed in operating the facility. Caution: Do not check the "continuous" box at the top of page 1.
- Portion of the amount of electricity or natural gas used or consumed in an industrial waste treatment facility. (Percent of electricity or natural gas exempt \_\_\_\_\_ %)
- Electricity, natural gas, fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel for residential or farm use.
 

	% of Electricity Exempt	% of Natural Gas Exempt	% of Fuel Exempt
<input type="checkbox"/> Residential .....	_____ %	_____ %	_____ %
<input type="checkbox"/> Farm .....	_____ %	_____ %	_____ %
- Address Delivered: \_\_\_\_\_
- Percent of printed advertising material solely for out-of-state use. \_\_\_\_\_ %
- Catalogs, and the envelopes in which the catalogs are mailed, that are designed to advertise and promote the sale of merchandise or to advertise the services of individual business firms.
- Computers and servers used primarily to store copies of the product that are sent to a digital printer, a plate-making machine, or a printing press or are used primarily in prepress or postpress activities, by persons whose NAICS code is 323111, 323117, or 323120.
- Purchases from out-of-state sellers of tangible personal property that are temporarily stored, remain idle, and not used in this state and that are then delivered and used solely outside this state, by persons whose NAICS code is 323111, 323117, or 323120.
- Other purchases exempted by law. (State items and exemption). \_\_\_\_\_

(DETACH AND PRESENT TO SELLER)

*I hereby certify that if the item(s) being purchased are not used in an exempt manner, I will remit use tax on the purchase price at the time of first taxable use. I understand that failure to remit the use tax may result in a future liability that may include tax, interest, and penalty.*

Signature of Purchaser	Print or Type Name	Title	Date
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## APPENDIX A

## INSTRUCTIONS

This certificate may be used to claim exemption from Wisconsin state, county, baseball and football stadium, local exposition, and premier resort sales or use taxes.

Under the sales and use tax law, all receipts from sales of tangible personal property, property, items and goods under sec. 77.52(1)(b), (c), and (d), or taxable services are subject to the tax until the contrary is established. However, a seller who receives a fully completed exemption certificate no later than 90 days after the date of sale is relieved of any responsibility for collection or payment of the tax upon transactions covered by the certificate. A fully completed certificate is one which is completely filled in and indicates the reason for exemption.

**RESALE:** A purchaser using the resale exemption is attesting that the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services being purchased will be resold, leased, licensed, or rented. However, in the event any such property, items, or goods is used for any purpose other than retention, demonstration, or display while holding it for sale, lease, license, or rental in the regular course of business, the purchaser is required to report and pay the tax on the purchase of the property, item, or good.

The following purchasers may make purchases for resale even though they do not hold a Wisconsin seller's permit or use tax certificate: (a) A wholesaler who only sells to other sellers for resale may insert "Wholesale only" in the space for the seller's permit number; (b) A person who only sells or repairs exempt property, such as to a manufacturer or farmer, may insert "Exempt sales only"; (c) A nonprofit organization may insert "Exempt sales only" if its subsequent sales of the tangible personal property, property, items, or goods under sec. 77.52(1)(b), (c), or (d), or taxable services are exempt as occasional sales.

A seller is allowed to accept an exemption certificate from an out-of-state retailer claiming the resale exemption for tangible personal property and items, property, and goods under sec. 77.52(1)(b), (c) and (d), Wis. Stats., drop shipped to a Wisconsin location, regardless of whether or not the out-of-state retailer holds a Wisconsin seller's permit. The out-of-state retailer's permit number, if the other state issues one, and state should be listed on the exemption certificate. If the exemption certificate does not list the Wisconsin seller's permit number or the out-of-state retailer's permit number and state, to be fully complete and valid the exemption certificate must contain a statement indicating the out-of-state retailer is a seller that is not required to hold a permit.

A resale exemption may be granted if the purchaser is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose. If the buyer purchases an item without tax for resale, but uses the item, the buyer owes use tax on its purchase of the item.

**MANUFACTURING:** "Manufacturing" means the production by machinery of a new article of tangible personal property or items or property under sec. 77.52(1)(b) or (c) with a different form, use, and name from existing materials, by a process popularly regarded as manufacturing, and that begins with the conveying raw materials and supplies from plant inventory to the place where work is performed in the same plant and ends with conveying finished units of tangible personal property or items or property under sec. 77.52(1)(b) or (c) to the point of first storage in the same plant.

**FARMING:** This certificate may not be used by farmers to claim exemption for the purchase of motor vehicles or trailers for highway use, lawn or garden tractors, snowmobiles, or for items used for the personal convenience of the farmer. When claiming an exemption for an ATV which is also registered for public use, a written description including the percentages of time for personal and farm use, must be submitted with the ATV Registration Application.

The sales price from the sale of electricity, natural gas, and other fuels for use in farming are exempt all 12 months of the year. Farmers claiming this exemption should check the box for electricity and fuel located in the "Other" section.

This certificate cannot be used as an exemption for paying Wisconsin motor vehicle fuel tax.

**GOVERNMENTAL UNITS AND OTHER EXEMPT ENTITIES:** A seller may accept exemption certificates from federal and Wisconsin governmental units and federally recognized American Indian tribes or bands in Wisconsin. Instead of obtaining an exemption certificate, a seller may (1) accept a purchase order from the governmental unit or tribe or band, or (2) record the governmental unit or tribe or band's Certificate of Exempt Status (CES) number on its invoices. Governmental units of other countries and states are not exempt from Wisconsin sales tax.

The exemption for the United States and its unincorporated agencies and instrumentalities may also be claimed by any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

The exemption for Wisconsin governmental units and other exempt entities may be claimed by: Local Exposition District, Professional Baseball Park District, Professional Football Stadium District, UW Hospitals and Clinics Authority, Wisconsin Aerospace Authority, Health Insurance Risk-Sharing Plan Authority, Wisconsin Economic Development Authority, Fox River Navigational System Authority, public inland lake protection and rehabilitation districts, municipal public housing authorities, uptown business improvement districts, local cultural arts districts, county-city hospitals, sewerage commissions, metropolitan sewerage districts, or joint local water authorities.

**Organizations holding a Certificate of Exempt Status (CES) number:** Wisconsin organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, may purchase products or services exempt from Wisconsin sales tax if the organization holds a CES number issued by the Wisconsin Department of Revenue. Wisconsin and federal governmental units, and any federally recognized American Indian tribe or band in Wisconsin, will also qualify for a CES.

A similar out-of-state organization, generally organized under sec. 501(c)(3) of the Internal Revenue Code, may purchase products or services exempt from Wisconsin sales tax even though it has not been issued a CES number. This exemption does *not* apply to out-of-state public schools, including public colleges and universities, and governmental units from other states.

Purchases (for lodging, meals, auto rental, etc.) by employees/representatives of exempt organizations performing organization business, are exempt from sales tax, provided 1) the retailer issues the billing or invoice in the name of the exempt organization, 2) the CES number is entered on the billing or invoice, and 3) the retailer retains a copy of that document.

#### OTHER:

**Containers:** This exemption applies regardless of whether or not the containers are returnable. Containers used by the purchaser only for storage or to transfer merchandise owned by the purchaser from one location to another do not qualify for the exemption.

**Common or contract carriers:** The exemption available to common or contract carriers for certain vehicles and repairs listed on this certificate applies only to those units used "exclusively" in such common or contract carriage. A carrier may qualify for the common or contract carriage exemption even if it does not hold a LC or IC number. The fact that a carrier holds a LC or IC number is not in itself a reason for exemption. A carrier may qualify for the common or contract carrier exemption even if it does not hold an LC or IC number.

**Waste treatment facilities:** The exemption applies to the sale of tangible personal property and items and property under sec. 77.52(1)(b) and (c) to a contractor for incorporation into real property which is part of an industrial or commercial waste treatment facility that qualifies for property tax exemption or a Wisconsin or federal governmental waste treatment facility.

#### Electricity, natural gas, fuel oil, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel:

- The sales price from the sale of electricity and natural gas for residential use during the months of November through April are exempt from sales and use tax.
- The sales price from sales of fuel oil, propane, coal, steam, corn, and wood (including wood pellets which are 100% wood) used for fuel sold for residential use are exempt from sales or use tax. Wood pellets are considered 100% wood even though the pellets may contain a small amount of binding material used to form the pellets.
- The sales price from the sale of fuel and electricity for use in farming are exempt all year.

A retailer of electricity, fuel, or natural gas shall have a signed exemption certificate for exempt sales for residential or farm use unless any of the following apply:

1. 100% of the electricity, fuel, or natural gas is for exempt use.
2. The sale is to an account which is properly classified as residential or farm pursuant to schedules which are filed for rate tariff with the Wisconsin Public Service Commission which are in force at the time of sale.
3. The sale is to an account which is properly classified as residential or farm for classification purposes as directed by the Federal Rural Electrification Administration.

"Farm use" means used in farming, including use in a tractor or other farm machines used directly in farming, in a furnace heating a farm building, in providing lighting in farm buildings, and use in operating motors of machines used directly in farming.

"Residential use" means use in a structure or portion of a structure which is a person's permanent principal residence. It does not include use in motor homes, travel trailers, other

recreational vehicles, or transient accommodations. "Transient accommodations" means rooms or lodging available to the public for a fee for a continuous period of less than one month in a building such as a hotel, motel, inn, tourist home, tourist house or court, summer camp, resort lodge, or cabin.

#### Other purchases exempted by law include:

1. Printed material which is designed to advertise and promote the sale of merchandise, or to advertise the services of individual business firms, which printed material is purchased and stored for the purpose of subsequently transporting it outside the state by the purchaser for use thereafter solely outside the state.
2. Parts, supplies, or repairs for a school bus used exclusively as a contract carrier pursuant to a contract with a school or other organization.
3. Waste reduction and recycling machinery and equipment, including parts and repairs, which are exclusively and directly used for waste reduction and recycling activities.
4. Railway cars, locomotives, and other rolling stock used in railroad operations, or accessories, attachments, parts, lubricants, or fuel therefor.
5. Commercial vessels and barges of 50-ton burden or over engaged in interstate or foreign commerce or commercial fishing, and accessories, attachments, parts, and fuel therefor.
6. Fuel sold for use in motorboats that are regularly employed in carrying persons for hire for sport fishing in and upon the outlying waters, as defined in sec. 29.001(63), Wis. Stats., and the rivers and tributaries specified in sec. 29.2285(2)(a)1. and 2., Wis. Stats., if the owner and all operators are licensed under sec. 29.514, Wis. Stats., to operate the boat for that purpose.
7. A product whose power source is the wind, direct radiant energy received from the sun, or gas generated by the anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or at least 600 British thermal units per day, but not including a product that is an uninterruptible power source that is designed primarily for computers.
8. Effective July 1, 2013, snowmaking and snow-grooming machines and equipment, including accessories, attachments, and parts for the machines and fuel and electricity used to operate such machines and equipment, that are used exclusively and directly for snowmaking at ski hills, ski slopes, and ski trails.
9. Effective July 1, 2013, advertising and promotional direct mail and printing services used to produce advertising and promotional direct mail.

**SIGNATURE:** For corporations, this form must be signed by an employee or officer of the corporation.

**QUESTIONS:** If you have questions, please contact us.

WISCONSIN DEPARTMENT OF REVENUE  
Customer Service Bureau  
PO Box 8949  
Madison WI 53708-8949

Phone: (608) 266-2776  
Fax: (608) 267-1030  
Website: [revenue.wi.gov](http://revenue.wi.gov)