

Wisconsin Sales Tax

What Is New?

- **Effective January 1, 2024, Milwaukee County sales and use tax rate increases from 0.5% to 0.9%.**
- **Effective January 1, 2024, City of Milwaukee imposes a new 2% sales and use tax.**

Transactions can be subject to 4 different sales taxes. They are the 5% WI state sales tax, the 2% City of Milwaukee sales and use tax, the 0.9% county tax, the 0.5% Milwaukee Exposition District food and beverage tax. The applicability of the different sales taxes should be made prior to depositing the funds.

- I. When charging sales tax associated with online sales, you will need to calculate the relevant tax based on the shipment location. For sales that are being shipped outside of Wisconsin and that will be used outside of Wisconsin, you do not need to charge any Wisconsin sales tax. If the shipment is to any location within Wisconsin, you will need to calculate and charge sales tax based on the county the item is shipped to. For all sales shipped within Wisconsin, you must charge the 5% state sales tax. Additionally, depending on which county you ship to, you may also have to charge a county tax of 0.9%. If shipping to Milwaukee city, there will be 2% city of Milwaukee tax charged.

There are two publications that, taken together, can help you to determine if you need to charge the 0.9% county tax, 2% city of Milwaukee, in addition to the 5% state tax: Publication 201 "Wisconsin Sales and Use Tax Information" put out by the Department of Revenue (<https://www.revenue.wi.gov/DOR%20Publications/pb201.pdf>; starting at page 38) and also the update to this report. The most recent update was published by the Department of Revenue in 2023 and is titled "Sales and Use Tax Report" (<https://www.revenue.wi.gov/DOR%20Publications/2414milwaukee.pdf>). You will also need to periodically check the Department of Revenue website for updates to determine if additional counties have begun to charge the county tax.

- II. The following guidelines should be used to determine which goods and services are subject to the 5% state sales tax.

- A. Exemptions from the Tax

1. General Exemptions:

- a. Goods and services provided to the United States, its unincorporated agencies and instrumentalities, other State of Wisconsin agencies,

other University of Wisconsin units, municipalities, and public schools are exempt.

- b. Goods and services are exempt if the purchaser provides the seller with a Certificate of Exempt Status number. The certificate number should be documented on the invoice or receipt to substantiate the purchaser's exempt status.
- c. Items sold for use solely outside the State of Wisconsin and delivered to any agent or carrier for shipment out of the State. Sales to non-residents are taxable if delivery takes place in Wisconsin.
- d. Items sold to a person who will "resell" the item and who furnishes a certificate to that effect.

2. Specific Exemptions:

- a. Goods
 - i. Board portion of housing contracts, i.e., meals.
 - ii. Subscriptions to publications, i.e., newspapers, magazines, etc.
- b. Services
 - i. Housing accommodation provided by the University regardless of period of occupancy.
 - ii. Educational services for which tuition is received.
 - iii. Services of a personal nature performed for individuals.
 - iv. Transportation of people.
 - v. Acting as a commission broker or gallery for artists' work.
 - vi. Building rental (offices, meeting rooms, etc.).
 - vii. Catering services.
 - viii. Coin-operated self-service laundry machines.

3. Taxable Sales

- a. Goods:
 - i. Food sold for consumption on the premises, such as: meals, snacks and carry outs. (Includes sales to employees.)

- ii. Beer, liquor, soft drinks, gum, candies and confections.
- iii. Other food products not sold for "home consumption".
- iv. Clothing, such as sweatshirts and athletic apparel.
- v. Publications, pamphlets, magazines, and books not sold on a subscription basis.
- vi. Pens, pencils, and miscellaneous supplies.
- vii. Gifts, cards, souvenirs, and like items.
- viii. Surplus property and scrap, including old rental equipment.
- ix. Building plans and specifications, and maps.

b. Services:

- i. Admission to athletic, amusement, and entertainment events, such as: basketball games, plays, concerts, and movies.
- ii. Parking permits and meter collections.
- iii. Fees or dues paid for access to or use of recreational, athletic, or amusement facilities or equipment such as boat rentals, billiards, bowling, and tennis courts.
- iv. Laundry services. Includes self-service laundry machines activated by a token or magnetic card. If machine is coin-operated, service is nontaxable.
- v. Reproducing, duplicating and photographic services.
- vi. Repair and maintenance services performed on items of tangible personal property.

III. 0.9% County Sales Tax:

- A. The types of goods and services that are subject to the 5% state sales tax are also subject to the 0.9% county tax. The county tax cannot be imposed on any good or service that is not subject to the 5% state sales tax. The county tax is applicable if the county where the buyer takes possession of the goods or the county where the service is rendered imposes a county tax. Milwaukee County imposes the county tax.

IV. 0.5% Milwaukee Exposition District Food and Beverage Tax:

- The types of foods and beverages that are subject to the 5% state sales tax are also subject to the 0.5% Milwaukee Exposition District food and beverage tax. The Milwaukee Exposition District food and beverage tax cannot be imposed on any food or beverage that is not subject to the 5% state sales tax. The Milwaukee Exposition District food and beverage tax is applicable if the buyer takes possession of the food or beverage in Milwaukee County.

V. Effective January 1, 2024, City of Milwaukee imposes a new 2% sales and use tax.

- A. Effective January 1, 2024, the city of Milwaukee imposed a new 2% sales and use tax. Retailers must determine the proper sales tax rate applicable to each transaction. A five-digit zip code without a street address is insufficient to determine the proper sales tax rate because 5-digit zip codes often cover multiple jurisdictions.
- B. Retailers may use our [Sales Tax Rate Lookup](#) to determine the tax rate applicable to a specific street address or 9-digit zip code. Alternatively, retailers and software programmers may use our [Wisconsin rate and boundary database files](#) to program into their software to determine the proper tax rate applicable to each transaction.

The above lists of taxable items and exempt items are not all inclusive.

Resources

- Publication 201, Wisconsin Sales and Use Tax Information
- Publication 202, Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs
- Publication 410, Local Exposition Taxes
- Wisconsin Tax Bulletin 223 (October 2023)