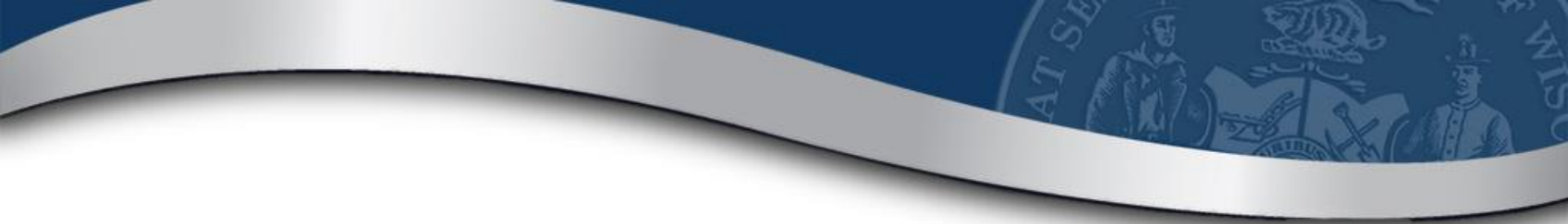


Wisconsin Association of Campground Owners (WACO)

To Tax or Not To Tax... Wisconsin Sales and Use Tax

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Publication 239, Campgrounds

*How Do Wisconsin Sales and Use Taxes
Affect Your Operations?*



To Tax or Not To Tax...

- I. Introduction
- II. Nature of Sales and Use Tax
- III. Campground's Sales and Rentals to Customers
- IV. Campground's Purchases
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I. Introduction

Publication 239 explains how Wisconsin sales and use taxes affect persons owning and operating campgrounds. It includes examples of taxable and nontaxable sales and purchases.

The information relates to the state's 5% sales and use tax. The following may also apply:

- 0.5% county tax
- 0.1% baseball stadium tax
- local exposition taxes
- 0.5% or 1.25% premier resort area tax



II. Nature of Sales and Use Tax

- The Wisconsin sales tax is a 5% tax imposed on the sales price of retailers making taxable retail sales in Wisconsin.
 - Sales tax does not apply to sales for resale



II. Nature of Sales and Use Tax, cont.

Sales tax is imposed on the retailer

- Retailer is liable to the State for sales tax
- Retailer may pass the tax along to the consumer or user (customer)
- Retailer holds tax that it collected in trust for the State
- Retailer is responsible for reporting and remitting the tax



II. Nature of Sales and Use Tax

What sales are subject to sales tax?

- Tangible personal property
- Certain coins or stamps
- Certain leased tangible personal property affixed to real property
- Certain digital goods

These are referred to collectively as taxable products.

- Specified services (e.g., charges for parking, landscaping services)



II. Nature of Sales and Use Tax, cont.

- Counterpart of sales tax
- Wisconsin use tax is a tax imposed on the purchase price of taxable products or taxable services that are stored, used, or consumed within Wisconsin, and upon which a Wisconsin sales or use tax has not previously been paid



II. Nature of Sales and Use Tax, cont.

- If Wisconsin did not have a use tax, persons could buy items in another state to avoid paying Wisconsin sales tax on such purchases
- Every other state with a sales tax has a use tax



II. Nature of Sales and Use Tax, cont.

Examples of when use tax is due:

- Internet purchases
- Property purchased outside of Wisconsin to be used in Wisconsin
- Purchases for resale that were used in business



III. Campground's Sales and Rentals to Customers

Taxable Sales By Campgrounds

- Admissions to Campgrounds
- Sales of Tangible Personal Property
- Admissions to Recreational Activities
- Rentals of Tangible Personal Property
- Sales from Vending Machines
- Amusement Devices



Taxable Sales By Campgrounds

Admissions and Lodging to Campgrounds

Admissions to campgrounds, including charges for electricity

- Regardless whether fees are collected on a daily, weekly, annual, or other basis

Lodging, such as charge to stay in cabins, trailers, or RVs that are already set up on campsites

- Although lodging for more than 30 days is not taxable as "lodging," it is still taxable as an "admission"



Taxable Sales By Campgrounds

Sales of Tangible Personal Property

- Firewood
- Candy, soft drinks, and prepared foods
- Electrical supplies, such as flashlights and batteries
- Cigarettes and lighters
- Hygiene products, such as soap, shampoo, combs, shaving cream, and razors
- Over-the-counter medicines, such as aspirin and cold medicine
- Ice blocks for cooling – Bags of ice cubes are not taxable
- Paper and plastic products, such as napkins, paper towels, paper plates, and plastic utensils
- Pet food and supplies, such as collars and pet toys



Taxable Sales By Campgrounds

Admissions to Recreational Activities

Admissions to amusement, athletic, entertainment, or recreational events or places

- Golfing
- Hayrides
- Hunting and fishing
- Horseback and pony rides



Taxable Sales By Campgrounds

Rentals of Tangible Personal Property

Rentals of:

- Boats
- Bicycles
- Scooters
- Inflatable rafts and tubes
- Roller skates
- Skis



Taxable Sales By Campgrounds

Sales from Vending Machines

- If a campground "controls" or is the "operator" of the vending machine, the campground's receipts from taxable sales made through the vending machine are taxable.
- A campground is considered to have "control" over the vending machine or be the "operator" if
 1. Campground has the right to access the machine for stocking, restocking, or removing the receipts from the machine, or
 2. Campground owns the tangible personal property sold through the vending machine.

Taxable Sales By Campgrounds

Sales from Vending Machines

Taxable	Not Taxable
Candy Soft Drinks Hygiene Products Medicines Sunscreen Toys	Chips Milk (in carton) Water (unsweetened) Cookies Popsicles Newspapers



Taxable Sales By Campgrounds

Amusement Devices

If campground "controls" or is the "operator" of:

- Video games
- Pool tables
- Pinball machines
- Foosball machines
- Other amusement devices



Taxable Sales By Campgrounds

Sales from Vending Machines/Amusement Devices

Commissions received from a 3rd party who "controls" or is the "operator" of vending machines, video games, and amusement devices are **not** taxable. (3rd party must report tax.)



Sales of Electricity

- Campground's charge includes electricity
 - Sale is taxable
 - Campground pays tax on purchase of electricity
- Charge for electricity is separate and optional
 - Sale is taxable
 - Campground can purchase that electricity without tax for resale



What is Separate and Optional?

If customer can pay a lesser amount for the SAME campsite without the electricity, the electricity is **separate and optional**.

If customer cannot pay a lesser amount for the SAME campsite without the electricity, the electricity is part of the charge for the campsite (i.e., is **NOT separate and optional**).



Example 1

Campground offers campsites for \$25 per night. All campsites have electrical hook-ups included. The customer is required to pay \$25 per night regardless of whether the electrical hook-up is used. Campground's \$25 charge per night is subject to Wisconsin sales tax as an admission to an amusement, entertainment, or recreational facility.

Campground's purchases of the electricity supplied to the campsites are also subject to Wisconsin sales or use tax. Campground is the consumer of this electricity provided with the amusement, entertainment, or recreational facility.

Example 2

Campground offers campsites for \$25 per night. All campsites have electrical hook-ups available. If a customer wants to use the electrical hook-up, Campground charges an additional \$5 per night. Campground's \$25 charge per night charge for the campsite is subject to Wisconsin sales tax as an admission to an amusement, entertainment, or recreational facility. In addition, the \$5 per night charge for electricity is also subject to Wisconsin sales tax.

Campground may purchase the electricity sold for an additional \$5 per night without tax for resale because the charge is separate and optional. Campground should provide its electricity supplier with a [Wisconsin Sales and Use Tax Exemption Certificate \(Form S-211 or S-211E\)](#) claiming resale, to purchase this electricity without Wisconsin sales or use tax. (**Caution:** Even though Campground may purchase the electricity used at these campsites without tax for resale, Campground must pay Wisconsin sales or use tax on its purchases of electricity used for purposes other than resale, such as in its offices.)



Example 3

Campground has two campsite offerings. Type 1 does not include electricity and is \$20 per night. Type 2 includes electricity and is \$25 per night. Campground **does not** reduce the charge for Type 2 campsites if customers do not want the electricity. Campground's \$20 and \$25 per night charges are subject to Wisconsin sales tax as admissions to an amusement, entertainment, or recreational facilities.

Campground must pay Wisconsin sales or use tax on its purchases of the electricity provided at Type 2 campsites since the electricity charges are not separate and optional.



Other Taxable Sales

- Internet access services
- Cover charges
- Sales of used equipment
- Campground packages

The entire charge for campground packages, which includes admission to the campground and its facilities, along with other taxable or nontaxable property or services, is subject to Wisconsin sales tax, assuming more than 10 percent of the purchase price and sales price of the package is related to taxable products (e.g., prepared food, admissions).



Nontaxable Sales

- Food and beverages (except alcoholic beverages, soft drinks, candy, and prepared foods)
- Sewage Disposal
- Security Access Cards
- Damage Fees
- Self-Service Laundry Machines
 - Includes machines operated by tokens or by magnetic cards



Gift Certificates and Product Vouchers

- The sale of gift certificates is not taxable
- The sale of a product voucher (i.e., "good for one night camping") is taxable
- 3rd party promotional company that sells discounted certificates or vouchers:
 - 3rd party does not collect tax
 - Seller collects tax when certificate is redeemed



IV. Campground's Purchases

Generally, a campground must pay sales or use tax on its purchases of taxable products and services that it uses in its business.



Taxable Purchases

- Advertising brochures and literature used in Wisconsin (Exception: catalogs and their mailing envelopes and advertising and promotional direct mail are exempt)
- Computers, computer supplies, and prewritten computer software
- Cash registers
- Copy machines and supplies
- Digital music downloads and e-books
- Paper, pens, and pencils



Taxable Purchases, cont.

- Motor vehicles and other equipment used by the owner in the operation of the campground
- Cleaning supplies
- Ice machines
- Communication equipment such as telephones and loudspeakers
- Recreational equipment, unless solely for rental to customers



Taxable Purchases, cont.

- Restaurant equipment and supplies, such as chairs, tables, dishwashers, and cooking equipment
- Televisions
- Vending machines
- Video games, pool tables, dart boards, and jukeboxes



Taxable Purchases, cont.

Taxable services purchased by campgrounds include:

- Cable television service
- Internet access service
- Landscaping and gardening services
- Repair, maintenance, and inspection of equipment (e.g., repair services to furnaces, boilers, and water softeners are taxable)
- Telephone service

Property Resold

Property resold to customers is not taxable

- Candy and soft drinks
- Firewood
- Magazines
- Property used solely to rent to customers
- Paper & plastic **disposable items** that are transferred to customers when selling (but not giving away) candy, soft drinks, prepared food, etc. (e.g., paper cups, straws, plastic forks)



Purchases of Real Property and Real Property Improvements

Purchases of real property are not taxable. For example, the purchase of land or land and a building are not taxable.

Contractor is the consumer of the materials and must pay sales or use tax on its cost of materials.



Real Property and Real Property Improvements

Examples of real property improvements:

- Constructing buildings
- Constructing roads, walks, bridges, fences, and ponds
- Constructing swimming pools, either partially or wholly underground
- Parking lot lighting



Real Property and Real Property Improvements

If campground purchases materials to make real property improvement, purchase of materials is taxable.

Campground, rather than contractor, is the consumer of the materials.

Part V. Alcohol Beverage and Tobacco Laws

Information about state alcohol beverage and tobacco laws is provided in [Publication 302](#), *Wisconsin Alcohol Beverage and Tobacco Laws for Retailers*

[Alcohol Beverage Fact Sheets](#) are also available:

#[3103](#) – *Licensed or Permitted Premises Description*


#[3104](#) – *Operators' Licenses*

#[3105](#) – *Alcohol Beverage Carry-Ins*



Part VI. Keeping Aware of New Sales and Use Tax Developments

- The Department of Revenue's Website at
<https://www.revenue.wi.gov>
- Subscribe to one or more electronic mailing lists at
<https://www.revenue.wi.gov/html/lists.html>

The logo of the Wisconsin Department of Revenue is located at the top of the slide. It features a blue circular seal with a white border. Inside the seal, there is a central emblem depicting a figure holding a staff, surrounded by the words "WISCONSIN DEPARTMENT OF REVENUE".

Part VII. Do You Have Questions or Need Assistance?

- If you are unable to find an answer to your question about sales and use taxes, email, write, or call the department.
- Visit our website at <https://www.revenue.wi.gov>
- Email DORSalesandUse@wisconsin.gov
- Write Wisconsin Department of Revenue
 P.O. Box 8949, Mail Stop 5-77
 Madison, WI 53708-8949
- Telephone (608) 266-2776



Questions?