

## INSTRUCTIONS

This certificate may be used to claim exemption from Wisconsin state, county, baseball and football stadium, and premier resort sales or use taxes and replaces all sales and use tax exemption certificates, except for the following: Certificate of Exemption for Rental Vehicles (Form RV-207), Construction Contract Entered Into Before the Effective Date of County or Football Stadium Tax (Form S-207CT), and a Wisconsin Direct Pay Permit. **(Note:** Form S-211 may be used by a purchaser claiming the direct pay exemption, if the purchaser checks the “other purchases exempt by law” line and enters all the required direct pay information.)

Under the sales and use tax law, all receipts from sales of tangible personal property or taxable services are subject to the tax until the contrary is established. However, a seller who accepts in “good faith” a valid exemption certificate is relieved of any responsibility for collection or payment of the tax upon transactions covered by the certificate. A valid certificate is one which is completely filled in and discloses a specific exemption claim appropriate to the business or activity being conducted by the purchaser. The seller should be familiar with the various exemption requirements and the instructions for using this certificate.

**RESALE:** A purchaser using the resale exemption is attesting that the tangible personal property or taxable services being purchased will be resold, leased, or rented. However, in the event any such property is used for any purpose other than retention, demonstration, or display while holding it for sale, lease, or rental in the regular course of business, the purchaser is required to report and pay the tax on the purchase of the property.

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 or taxable services are exempt as occasional sales; or (d) A person registered as a seller in another state who makes no taxable retail sales in Wisconsin may insert the name of the state in which registered and that state’s seller’s permit or use tax certificate number. However, a supplier may not accept the resale exemption from a business not holding a Wisconsin seller’s permit or use tax certificate, if the sale involves the supplier’s delivery of goods to a consumer in Wisconsin (i.e., drop shipment).

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 items are used in a taxable manner, then sales or use tax is due on the purchase of the items.

**MANUFACTURING:** “Manufacturing” is defined as “*the production by machinery of a new article with a different form, use and name from existing materials by a process popularly regarded as manufacturing.*”

**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.

Gross receipts 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.

**FEDERAL AND WISCONSIN GOVERNMENTAL UNITS:** This exemption may only be accepted from federal and Wisconsin governmental units and replaces the requirement for having a purchase order from the governmental unit or recording on invoices the Certificate of Exempt Status (CES) number of the governmental unit. Governmental units of other countries and states may not use this exemption certificate. The governmental unit should check the box that best describes their unit of government.

### **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. The fact that a carrier holds a LC or IC number is not in itself a reason for exemption.

## **Organizations holding a Certificate of Exempt Status**

**(CES) number:** Sales of tangible personal property or taxable services sold “directly” to certain nonprofit organizations are exempt only if the organization holds a CES number issued by the Wisconsin Department of Revenue. However, a similar out-of-state organization may use this exemption to purchase without tax even though it has not been issued a Wisconsin Certificate of Exempt Status number. Note: Governmental units from other states do not qualify for this exemption. Taxable charges (for lodging, meals, auto rental, etc.) incurred by an employee of an exempt organization when the employee is on a business trip are exempt, provided the retailer issues the billing or invoice in the name of the exempt organization, the Certificate of Exempt Status number is entered on the billing or invoice, and the retailer retains a copy of that document.

**Waste treatment facilities:** The exemption applies to the sale of tangible personal property 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 and wood used for fuel:**

Gross receipts 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.

Gross receipts from sales of fuel oil, propane, coal, steam, and wood used for fuel sold for residential use are exempt from sales or use tax.

Gross receipts from the sale of fuel and electricity for use in farming are exempt all year. This exemption does not include lubricants (e.g., oils) and antifreeze.

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.

**QUESTIONS:** If either the purchaser or the seller has any questions regarding the completion or use of this exemption certificate, please contact the department by:

Telephone: (608) 266-2776

Fax: (608) 267-1030

E-mail: sales10@dor.state.wi.us

Write: Wisconsin Department of Revenue  
PO Box 8949  
Madison WI 53708-8949

Website: [www.dor.state.wi.us](http://www.dor.state.wi.us)