

Wisconsin Sales and Use Tax Rules Summary
Welding and Fabricating Equipment Auction
N92w15000 Anthony Ave
Menomonee Falls, WI 53051
Asset Type: Metal Fab and Welding Equipment

Tax Rate: 5.1%

EXEMPTIONS:

1. **Resale:** Sales for resale are exempt. The buyer must be in the business of selling the types of assets purchased in the regular course of business. An exemption certificate accepted in good faith is necessary to document a transaction that is exempt under the resale exemption. See "Forms" below to access the resale certificate form.
2. **Manufacturing machinery and equipment:** A sales and use tax exemption is available for machines and specific processing equipment and repair parts or replacements thereof, **exclusively and directly** used by a manufacturer in manufacturing tangible personal property. The exemption applies to safety attachments for these machines. (Sec. 77.54(6)(a), Wis. Stats.)

Conditions for exemption - For the exemption to apply, each of the following conditions must be met (Rule Sec. Tax 11.40(2))

- The machines and processing equipment must be used by a manufacturer in manufacturing tangible personal property. The exemption does not apply to machines and processing equipment used in providing services or in other nonmanufacturing activities.
- The machines and processing equipment must be used exclusively in manufacturing; the machines or equipment must be used solely by a manufacturer in manufacturing tangible personal property to the exclusion of all other uses. Nonetheless, the exemption will not be invalidated by an infrequent or sporadic use other than in manufacturing tangible personal property;
- The machines and processing equipment must be used directly in the step-by-step processes by which an end product results.

MOTOR VEHICLES:

The purchaser who will register the motor vehicles in Wisconsin is responsible for paying the sales tax prior to registration. Motor vehicles purchased in Wisconsin are subject to sales tax. However, if a motor vehicle is purchased from someone who is not a dealer, the purchaser must file a sales tax return and pay the tax prior to registration. (Sec. 77.61(1), Wis. Stats. , Sec. 77.785(2), Wis. Stats.) Buyers who will register the motor vehicles outside Wisconsin are not liable for the Wisconsin sales tax.

EXPORT AND OUT-OF-STATE PURCHASES:

Sales delivered to the buyer or buyer's agent in Wisconsin are deemed to be sales made in Wisconsin and are therefore subject to Wisconsin sales tax. Auction terms are "As Is Where Is" and all sales are considered Wisconsin sales.

However, if the purchaser does not receive the product at the seller's business location, the sale is sourced to the location at which the purchaser (or the purchaser's designated donee) receives the product, which may include the location shown on instructions known to the seller for delivery to the purchaser or the purchaser's designated donee. The delivery may be made by the seller or by a shipping company or common carrier hired by the seller or purchaser. [Wis. Stat. §77.522(1)(b)(2) ;Wis. Admin. Code Tax 11.945(2)(b) .] Out of state sales must be documented by bill of lading, export document, and Hilco's Buyer Release Form to qualify for the exemption.

FORMS:

The following is the link to access the WI Sales and Use tax exemption certificate used to document all exempt sales:

<https://www.revenue.wi.gov/DORForms/s-211f.pdf>

If a resale certificate is given to the auctioneer and the auctioneer accepts the certificate in "good faith," the sale is exempt. For resale certificates as well as exemption certificates, the following conditions must be met in order for "good faith" to be established:

- The certificate must contain no statement or entry which the auctioneer knows, or has reason to believe, is false or misleading.
- The certificate must contain all the necessary information.

Wisconsin no longer uses the MTC Multijurisdiction Uniform Sales & Use Tax Certificate.