

1. **What is the premier resort area tax, and what are the rates?**

The premier resort area tax is a local retail sales tax which was authorized by the Wisconsin Legislature and is administered by the Wisconsin Department of Revenue. Under law, the sponsoring municipality or other political subdivision may only use the proceeds of this tax to pay for infrastructure expenses within this jurisdiction.

The premier resort area tax rates are as follows:

- o The City of Rhinelander: 0.5% (effective January 1, 2017)
- o The Village of Stockholm: 0.5%
- o The City of Eagle River: 0.5%
- o The City of Bayfield: 0.5%
- o The City of Wisconsin Dells: 1.25%*
- o The Village of Lake Delton: 1.25%*

* The tax rates for the Village of Lake Delton and the City of Wisconsin Dells increased from 1.0% to 1.25% on July 1, 2014.

Note: The premier resort tax is only imposed on certain sellers (see Answer 4) operating within the premier resort areas. For more information, see Wisconsin Publication 403, *Premier Resort Area Tax*.

2. **Which municipalities may adopt the premier resort area tax?**

A sponsoring municipality or other political subdivision that has at least 40% of its equalized assessed property values used by tourism-related retailers (see the business codes listed in Answer 3) may enact an ordinance which puts this tax into effect.

Exception: The cities of Bayfield, Eagle River, and Rhinelander and the villages of Ephraim, Sister Bay, and Stockholm may, by ordinance, impose the 0.5% premier resort area tax even if less than 40% of the equalized assessed value of the taxable property within those cities or villages is used by tourism-related retailers.

3. **Which municipalities have adopted the premier resort area tax?**

- o The City of Rhinelander, effective January 1, 2017
- o The Village of Stockholm, effective October 1, 2014
- o The City of Eagle River, effective October 1, 2006
- o The City of Bayfield, effective January 1, 2003
- o The City of Wisconsin Dells, effective July 1, 1998
- o The Village of Lake Delton, effective April 1, 1998

66.1113 Premier resort areas.

(1) DEFINITIONS. In this section:

(a) "Infrastructure expenses" means the costs of purchasing, constructing, or improving parking lots; access ways; transportation facilities, including roads and bridges; sewer and water facilities; exposition center facilities used primarily for conventions, expositions, trade shows, musical or dramatic events, or other events involving educational, cultural, recreational, sporting, or commercial activities; parks, boat

ramps, beaches, and other recreational facilities; fire fighting equipment; police vehicles; ambulances; and other equipment or materials dedicated to public safety or public works.

(b) "Political subdivision" means a city, village, town or county.

(c) "Premier resort area" means a political subdivision whose governing body enacts an ordinance or adopts a resolution under sub. (2) (a).

(d) "Tourism-related retailers" means retailers classified in the standard industrial classification manual, 1987 edition, published by the U.S. office of management and budget under the following industry numbers:

1. 5331 — Variety stores.
2. 5399 — Miscellaneous general merchandise stores.
3. 5441 — Candy, nut and confectionary stores.
4. 5451 — Dairy product stores.
5. 5461 — Retail bakeries.
6. 5541 — Gasoline service stations.
7. 5812 — Eating places.
8. 5813 — Drinking places.
9. 5912 — Drug stores and proprietary stores.
10. 5921 — Liquor stores.
11. 5941 — Sporting goods stores and bicycle shops.
12. 5946 — Camera and photographic supply stores.
13. 5947 — Gift, novelty and souvenir shops.
14. 7011 — Hotels and motels.
15. 7032 — Sporting and recreational camps.
16. 7033 — Recreational vehicle parks and campsites.
17. 7948 — Racing, including track operation.
18. 7992 — Public golf courses.
19. 7993 — Coin-operated amusement devices.
20. 7996 — Amusement parks.
21. 7999 — Amusement and recreational services, not elsewhere classified.

(2) PREMIER RESORT AREA CREATION.

(a) The governing body of a political subdivision, by a two-thirds vote of the members of the governing body who are present when the vote is taken, may enact an ordinance or adopt a resolution declaring itself to be a premier resort area if, except as provided in pars. (e), (f), (g), (h), (i), and (j), at least 40 percent of the equalized assessed value of the taxable property within such political subdivision is used by tourism-related retailers.

(b) Subject to pars. (g), (h), (i), and (j), a political subdivision that is a premier resort area may impose the tax under s. 77.994.

(c) If 2 or more contiguous political subdivisions that are premier resort areas each impose the tax under s. 77.994, they may enter into a contract under s. 66.0301 to cooperate in paying for infrastructure expenses, in addition to any other authority they have to act under s. 66.0301.

(d) The proceeds from a tax that is imposed under s. 77.994 and this subsection may be used only to pay for infrastructure expenses within the jurisdiction of a premier resort area.

(e)

1. The legislature finds the following with respect to the city of Eagle River:

a. That it has an atypical percentage of tax-exempt land within its boundaries that is used for tourism-related purposes.

b. That it is the site of national recreational competitions that draw tourism business to the entire northern region of this state.

2. The city of Eagle River may enact an ordinance or adopt a resolution declaring itself to be a premier resort area under par. (a) even if less than 40 percent of the equalized assessed value of the taxable property within Eagle River is used by tourism-related retailers.

(f) The city of Bayfield may enact an ordinance or adopt a resolution declaring itself to be a premier resort area under par. (a) even if less than 40 percent of the equalized assessed value of the taxable property within Bayfield is used by tourism-related retailers.

(g) The village of Sister Bay may enact an ordinance or adopt a resolution declaring itself to be a premier resort area under par. (a) even if less than 40 percent of the equalized assessed value of the taxable property within Sister Bay is used by tourism-related retailers. The village may not impose the tax authorized under par. (b) unless the village board adopts a resolution proclaiming its intent to impose the tax and the resolution is approved by a majority of the electors in the village voting on the resolution at a referendum, to be held at the first spring primary or election or partisan primary or general election following by at least 70 days the date of adoption of the resolution.

(h) The village of Ephraim may enact an ordinance or adopt a resolution declaring itself to be a premier resort area under par. (a) even if less than 40 percent of the equalized assessed value of the taxable property within Ephraim is used by tourism-related retailers. The village may not impose the tax authorized under par. (b) unless the village board adopts a resolution proclaiming its intent to impose the

tax and the resolution is approved by a majority of the electors in the village voting on the resolution at a referendum, to be held at the first spring primary or election or partisan primary or general election following by at least 70 days the date of adoption of the resolution.

(i) The village of Stockholm may enact an ordinance or adopt a resolution declaring itself to be a premier resort area under par. (a) even if less than 40 percent of the equalized assessed value of the taxable property within Stockholm is used by tourism-related retailers. The village may not impose the tax authorized under par. (b) unless the village board adopts a resolution proclaiming its intent to impose the tax and the resolution is approved by a majority of the electors in the village voting on the resolution at a referendum, to be held at the first spring primary or election or partisan primary or general election following by at least 70 days the date of adoption of the resolution.

(j) The city of Rhinelander may enact an ordinance or adopt a resolution declaring itself to be a premier resort area under par. (a) even if less than 40 percent of the equalized assessed value of the taxable property within Rhinelander is used by tourism-related retailers. The city may not impose the tax authorized under par. (b) unless the common council adopts a resolution proclaiming its intent to impose the tax and the resolution is approved by a majority of the electors in the city voting on the resolution at a referendum, to be held at the first spring primary or election or partisan primary or general election following by at least 70 days the date of adoption of the resolution. Notwithstanding par. (d), the city may use the proceeds from a tax that is imposed under s. 77.994 and this subsection only to pay for transportation-related infrastructure expenses within the jurisdiction, and the city must expend at least the same amount of other funds on transportation-related infrastructure each year that it spent during the calendar year prior to the year in which the premier resort area tax is first imposed.

(3) JURISDICTION. The jurisdiction of a premier resort area is coterminous with the boundaries of a political subdivision whose governing body enacts an ordinance or adopts a resolution under sub. (2) (a) or with the boundaries of 2 or more political subdivisions that enter into a contract under sub. (2) (c).

History: 1997 a. 27; 1999 a. 150 s. 364; Stats. 1999 s. 66.1113; 2001 a. 16, 109; 2005 a. 440; 2009 a. 28; 2011 a. 75, 115; 2013 a. 20; 2015 a. 55; s. 35.17 correction in (2) (b).

PREMIER RESORT AREA TAXES

77.994 Premier resort area tax.

(1) Except as provided in subs. (2) and (3), a municipality or a county all of which is included in a premier resort area under s. 66.1113 may, by ordinance, impose a tax at a rate of 0.5 percent of the sales price from the sale, license, lease, or rental in the municipality or county of property, items, goods, or services that are taxable under subch. III made by businesses that are classified in the standard industrial classification manual, 1987 edition, published by the U.S. office of management and budget, under the following industry numbers:

(ad) 5311 — Department stores.

(am) 5331 — Variety stores.

(b) 5399 — Miscellaneous general merchandise stores.

- (c) 5441 — Candy, nut and confectionary stores.
- (d) 5451 — Dairy product stores.
- (e) 5461 — Retail bakeries.
- (em) 5499 — Miscellaneous food stores.
- (f) 5541 — Gasoline service stations.
- (fa) 5611 — Men's and boys' clothing and accessory stores.
- (fb) 5621 — Women's clothing stores.
- (fc) 5632 — Women's accessory and specialty stores.
- (fd) 5641 — Children's and infants' wear stores.
- (fe) 5651 — Family clothing stores.
- (ff) 5661 — Shoe stores.
- (fg) 5699 — Miscellaneous apparel and accessory stores.
- (g) 5812 — Eating places.
- (h) 5813 — Drinking places.
- (i) 5912 — Drug stores and proprietary stores.
- (j) 5921 — Liquor stores.
- (k) 5941 — Sporting goods stores and bicycle shops.
- (ka) 5942 — Bookstores.
- (kb) 5943 — Stationery stores.
- (kc) 5944 — Jewelry stores.
- (kd) 5945 — Hobby, toy, and game shops.
- (L) 5946 — Camera and photographic supply stores.
- (m) 5947 — Gift, novelty and souvenir shops.
- (ma) 5948 — Luggage and leather goods stores.
- (mb) 5949 — Sewing, needlework, and piece goods stores.
- (mc) 5992 — Florists.
- (md) 5993 — Tobacco stores and stands.
- (me) 5994 — News dealers and newsstands.

(mf) 5999 — Miscellaneous retail stores.

(n) 7011 — Hotels and motels.

(o) 7032 — Sporting and recreational camps.

(p) 7033 — Recreational vehicle parks and campsites.

(pa) 7922 — Theatrical producers (except motion picture) and miscellaneous theatrical services.

(pb) 7929 — Bands, orchestras, actors, and other entertainers and entertainment groups.

(q) 7948 — Racing, including track operation.

(qa) 7991 — Physical fitness facilities.

(r) 7992 — Public golf courses.

(s) 7993 — Coin-operated amusement devices.

(t) 7996 — Amusement parks.

(ta) 7997 — Membership sports and recreation clubs.

(u) 7999 — Amusement and recreational services, not elsewhere classified.

(2) Either a county or a municipality within that county, but not both, may impose a tax under sub. (1).

(3)

(a) Any municipality that enacted an ordinance imposing the tax under sub. (1) that became effective before January 1, 2000, may amend the ordinance to increase the tax rate under this section to 1 percent. The amended ordinance is effective on the dates provided under s. 77.9941 (1).

(b)

1. Subject to subd. 2., any municipality that enacted an ordinance imposing the tax under sub. (1) that became effective before January 1, 2000, may amend the ordinance to increase the tax rate under this section to a maximum of 1.25 percent. The amended ordinance is effective on the dates provided under s. 77.9941 (1).

2. Before an amendment to an ordinance that is described in subd. 1. may take effect, all of the following must occur:

a. The governing body of the municipality must adopt a resolution proclaiming its intent to increase the rate of premier resort area tax.

b. The resolution must be approved by a majority of the electors in the municipality voting on the resolution at a referendum, to be held at the first spring primary or election or partisan primary or general election following by at least 70 days the date of adoption of the resolution.

(4)

(a) Except as provided in par. (b), no seller or certified service provider, as defined in s. 77.51 (1g), is liable for the tax, interest, or penalties imposed under this subchapter on a transaction in which the seller or certified service provider charged and collected the incorrect amount of tax imposed under this subchapter on the sale of a product that was shipped to the purchaser's location within a premier resort area, until such time as a database identifying the addresses subject to each premier resort area tax is available to all sellers and certified service providers.

(b) The relief from liability described in par. (a) does not apply to transactions which are sourced to the seller's place of business under s. 77.522 (1) (b) 1.

History: 1997 a. 27; 1999 a. 150 s. 672; 2001 a. 30; 2005 a. 25; 2009 a. 2, 28; 2013 a. 20.

77.9941 Administration.

(1) The ordinance under s. 77.994 is effective on January 1, April 1, July 1 or October 1. The municipality or county shall deliver a certified copy of that ordinance, or an amended ordinance under s. 77.994 (3), to the secretary of revenue at least 120 days before its effective date.

(3) A municipality or county that imposes a tax under s. 77.994 may repeal that ordinance. A repeal is effective on December 31. The municipality or county shall deliver a certified copy of the repeal ordinance to the secretary of revenue at least 60 days before its effective date.

(3m)

(a) The department of revenue may promulgate rules interpreting the classifications under s. 77.994 (1) and specifying means of determining the classifications of business. If there is a dispute whether a business is in one of the classifications under s. 77.994 (1), the department of revenue's decision is final.

(b) The department of revenue shall provide appropriate guidance regarding the application of the tax imposed under this subchapter to all persons who hold a sales tax permit issued by the department. Any retail outlet that would have been classified as a tourism related retailer under s. 77.994 (1), but for the fact that it is a retail outlet for a manufacturer or wholesaler, shall be considered a tourism related retailer for purposes of s. 77.994 (1).

(4) Sections 77.72, 77.73, 77.74, 77.75, 77.76 (1), (2), and (4), 77.77 (1), 77.785 (1), and 77.79, as they apply to the taxes under subch. V, apply to the tax under this subchapter.

(5) From the appropriation under s. 20.835 (4) (gd) the department shall distribute 97 percent of the taxes under this subchapter reported, for each municipality or county that has imposed the tax, minus the municipality's or county's portion of the retailers' discounts, to the municipality or county and shall indicate the taxes reported by each taxpayer, no later than the end of the 3rd month following the end of the calendar quarter in which such amounts were reported. In this subsection, the "municipality's or county's portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction the numerator of which is the gross sales and use taxes payable under this subchapter and the denominator of which is the sum of the gross state sales and use taxes and the sales taxes and use taxes payable under this subchapter. The taxes under this subchapter distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments of the

taxes under this subchapter previously distributed. Interest paid on refunds of sales and use taxes under this subchapter shall be paid from the appropriation under s. 20.835 (4) (gd) at the rate paid by this state under s. 77.60 (1) (a). Any municipality or county receiving a report under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5) and (6).

History: 1997 a. 27; 2005 a. 25; 2009 a. 2, 28; 2011 a. 68.