State of Wisconsin DOR vs Medical Physics Consulting

- Is Sales Tax Required to Be Collected?
ONCE UPON A TIME.....

In a Galaxy

Far, Far, Away.....
Wisconsin Tax Code 11.68

Construction Contractors

Original Cited Regulation
Contractors provide labor and material in the repair, service, alteration…. Inspection and maintenance which retain their character for repair purposes
WI Administrative Code

• Tax 11.67 Service Enterprises

• If the objective is to obtain a service

• (example) include physicians, lawyers and accountants….. Then this service does not have sales tax
In 1994 Similar Event

No Action Taken But No Written Determination Occurred
Return Call To DOR

Home free?
Now What?

- Contacted other physicists
- Called AAPM regulatory affairs rep
- Attended AAPM professional council meeting in Minneapolis
Private Letter Ruling

Request

August 2007
State Interpretation

Wisconsin imposes sales tax on "the repair, service, alteration.....Inspection, or maintenance of all items of tangible personal property unless exempt...."
10. Except for services provided by veterinarians and except for installing or applying tangible personal property that, subject to par. (ag), when installed or applied, will constitute an addition or capital improvement of real property, the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of all items of tangible personal property unless, at the time of that [the] repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance, a sale in this state of the type of property repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or maintained would have been exempt to the customer from sales taxation under this subchapter, other than the exempt sale of a motor vehicle or truck body to a nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. 77.51 (14r). [juvenile] The tax imposed under this subsection applies to the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance of items listed in par. (ag), regardless of whether the installation or application of tangible personal property related to the items is an addition to or a capital improvement of real property, except that the tax imposed under this subsection does not apply to the original installation or the complete replacement of an item listed in par. (ag), if that [the] installation or replacement is a real property construction activity under s. 77.51 (2).
If there is a single charge for providing both taxable and nontaxable services, the entire charge is subject to tax.
Inspect (dictionary):

- To look carefully, examine critically, in order to detect flaws, errors
Radiologist vs Technologist vs Physicist
What are Options?

- Collect Sales Tax 2008
- Request an exemption through State representatives

Other