

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-E-15
		Effective 3-31-14
Section CONTRACTING, ORDERING, RECEIVING AND PAYMENT	Agencies Affected ALL	Replaces 9-1-83
Title EXCISE TAXES—EXEMPT OR NOT		Page 1 of 2

AUTHORITY: [Wis. Stats.](#) 77.54(9A)
77.54(11)

SCOPE:

- to establish policy on the state's status regarding federal excise taxes
- to establish policy on the state's status regarding the State of Wisconsin sales and use tax and State of Wisconsin local taxes
- to establish policy on the state's status regarding aircraft fuel taxes

CONTENT:

- I. The State of Wisconsin and its agencies are exempt from payment of some federal taxes and Wisconsin state and local taxes on its purchases. Often the exemption is determined by the circumstances surrounding the purchase. The agency may need to consult other resources to make a determination. (Please see [VIII.](#))
- II. The State of Wisconsin, including all its agencies, is required to pay the Wisconsin excise or occupation tax on its purchase of beer, liquor, wine, cigarettes, tobacco products, motor vehicle fuel, and general aviation fuel. However, it is exempt from payment of Wisconsin sales or use tax on its purchase. The State of Wisconsin may be subject to other states' and tribal taxes on its purchases in that state or on tribal lands depending on the laws of that state or tribe.
- III. Registration No. 39-73-1021-K was issued to the State of Wisconsin by the IRS to authorize tax-free transactions under Chapter 32 of the Internal Revenue Code. This registration number is on file with the District Director, U.S. Treasury Department, Internal Revenue Service, Milwaukee, Wisconsin. Chapter 32 does not exempt the state from all federal taxes.
- IV. Contractors performing construction activities are required to pay state use tax on the cost of materials.
- V. The Wisconsin Department of Revenue issues tax exempt numbers for Wisconsin sales and excise tax purposes to the State of Wisconsin, s. 77.54(9a). The Income, Sales and Excise Tax Division of the Wisconsin Department of Revenue should have a record of tax exemption certificates issued.
- VI. The State of Wisconsin and its agencies do not pay the federal excise tax on purchases of gasoline and jet fuels used in aircraft owned and/or operated by the state.
 - A. Blanket registration number 39-74-0002-Y is used by all agencies for refund on aircraft fuels.

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VII. The State of Wisconsin and its agencies do pay federal tax on airline tickets.

VIII. Reference material:

- A. [IRS Publication 510](#), Excise Taxes (Including Fuel Tax Credits and Refunds)
- B. 26 U.S. Code Subtitle D—Miscellaneous Excise Taxes
<http://www.law.cornell.edu/uscode/text/26/subtitle-D>

Authorized:



Rick S. Hughes, Director
State Bureau of Procurement