

Explanation of Retroactive WI Tax Audit Adjustment – 3

The State of Wisconsin recently concluded an examination of several years of state tax returns, including taxes remitted for Wisconsin's Sales and Use Tax ("SUT"). As a result of that audit, Wisconsin Tax confirmed that "[t]he sales price from sales of tangible personal property, or items, property, or goods under sec. 77.52(1)(b), (c), or (d), Wis. Stats., or taxable services which are not supported by valid exemption certificates are subject to Wisconsin sales tax pursuant to sec. 77.52(13) and (14), Wis. Stats." This is further explained in Publication 207, which notes that selling or installing property that remains personal property after installation, including communications/data cabling, is subject to SUT. Third-party software that Granite utilizes failed to properly assess SUT on these charges as well as the Federal Telecom Relay Surcharge during the audit period. Consequently, the obligation for this additional tax amount has become due and payable.

The amount will appear on your invoice as a one-time "Retroactive WI Tax Audit Adjustment." This assessment insulates you in the event that Wisconsin Tax audits your purchase invoices and determines that you did not remit SUT on these items.

If you have any questions regarding the taxation of these charges, please contact the Wisconsin Department of Revenue at 414-227-4741.