



State of Wisconsin Department of Administration

Certification for Collection of Sales and Use Tax FAQs

Frequently Asked Questions About the Vendor Tax Law

Wisconsin Statutes section 16.75 (10m) provides that the state cannot enter into any contract or order for the purchase of materials, supplies, equipment or contractual services with vendors or their affiliates who are not registered, collecting and remitting Wisconsin sales or use tax on sales of tangible personal property or taxable services in Wisconsin. Failure to comply with the conditions of this clause may result in the contractor's becoming declared an "ineligible" contractor or termination of the contract. The following information answers the most frequently asked questions about the vendor tax law.

I. What is the Certification for Collection of Sales and Use Tax Vendor Directory, and who is responsible for its maintenance?

The Department of Revenue ([DOR](#)) is responsible for verifying that vendors and their affiliates are in compliance with the vendor tax law. Those who are not properly registered and remitting Wisconsin sales/use tax or who have not provided the department with an [Affidavit of Exempt Sales](#) or [Application for Business Tax Registration](#) will be placed on the list of ineligible vendors. DOR makes multiple attempts to obtain information from a vendor before declaring it ineligible. DOR is responsible for certifying the list of ineligible vendors to the Department of Administration (DOA). DOA places these vendors on the Certification for Collection of Sales and Use Tax [Vendor Directory](#). DOR provides updates for the directory at least monthly and notifies DOA as vendors come into compliance.

II. Will a vendor that is declared ineligible be removed from the VendorNet bidders list?

No. A vendor will not be removed from the VendorNet bidders list. However, any contract with an ineligible contractor must be cancelled.

III. What should a contracting agency do upon determining that it has a contract in place with an ineligible contractor?

The agency should explain the law to the contractor and encourage registration to become an eligible contractor, or the agency may contact DOR (608/266-3969) to request assistance in obtaining the registration. If the contractor's status remains unchanged, the agency must terminate the contract.

IV. If the agency determines that it has ordered from an ineligible contractor, can payment be withheld until the vendor becomes in compliance with the law?

No. (See III.)

V. If a parent company is on the directory, does that mean the agency cannot buy from any of its subsidiaries?

The agency point of reference is the taxpayer identification number (TIN). If the subsidiary's TIN is not listed on the directory, then the agency can buy from the subsidiary.

VI. Are there any exemptions to the law?

If the vendor or its affiliates only make exempt sales in Wisconsin, (e.g. sales for resale, sales to governmental units, sales of non-taxable services, etc.) an Affidavit of Exempt Sales can be signed in lieu of registering.

VII. Does the law apply to all purchases regardless of dollar amount?

Yes. There is no minimum dollar amount attached to the law. In addition, the law applies to the use of state contracts and to travel, fuel and purchasing card purchases.

VIII. What affect does the law have on road construction covered under Chapter 84, Wisconsin Statutes? Are any other chapters affected?

The law only applies to purchasing under Subchapter IV of Chapter 16 of the Wisconsin Statutes.

IX. Are grants affected by the law?

Grants are not identified as purchases and therefore are not subject to the procurement rules and procedures.

X. What are the resources for additional information?

Wisconsin Department of Revenue, Nexus Unit
Telephone: 608/266-3969
E-mail: DORVendorLaw@wisconsin.gov
[Wisconsin Department of Revenue Frequently Asked Questions](#)

State Procurement Manual [PRO-415](#), Certification for Collection of Sales and Use Tax

[Certification for Collection of Sales and Use Tax Vendor Directory](#)