

SALES AND USE TAX EXEMPTION ENACTED!

AGC of Greater Milwaukee is pleased to announce that the sales and use tax exemption, for non-profit and municipal projects, is finally law.

Effective January 1, 2016, a sales and use tax exemption is created for building materials that become part of a facility for a local unit of government or nonprofit organization described under [s. 77.54 \(9a\)\(f\)](#). This exemption applies to purchases by a construction contractor who transfers the building materials to the qualified exempt entity as part of constructing a facility in Wisconsin that is owned by the qualified exempt entity. This exemption applies to purchases and use of building materials on or after January 1, 2016 for construction contracts entered into on or after January 1, 2016.



A qualified exempt entity includes a: county, city, village, town, school district, county-city hospital, sewerage commission, metropolitan sewerage district, joint local water authority, or eligible nonprofit organization. A facility includes a: building, shelter, parking lot, parking garage, athletic field, athletic park, storm sewer, water supply system, or sewerage and waste water treatment facility. A facility does not include a highway, street, or road. To obtain the exemption, contractors are directed to provide a fully completed exemption certificate ([Form S-211](#)) to the seller. The contractor should check “other purchases exempt by law” on the certificate and enter “exempt under sec. 77.54(9m), Wis. Stats.”

AGC wants to thank all of the individuals and associations involved in the passage of this important legislation. It was a long haul, but the results should prove of considerable benefit to general contractors and subcontractors. For further information, please contact Nathan Jurowski, AGC General Counsel, at njurowski@agc-gm.org or (414) 778-4104.

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