

# WISCONSIN RESALE CERTIFICATE

Instructions: This certificate should be completed by the purchaser and given to the seller for retention as part of the seller's records.

**Single Purchase**

**Continuous**

(Remains in force until canceled by the purchaser or the department.)

I HEREBY CERTIFY: That I hold Seller's Permit No. \_\_\_\_\_ \* issued pursuant to the Wisconsin sales and use tax law, and that I am engaged in the business of selling, leasing, or renting:

\_\_\_\_\_  
(DESCRIPTION OF PROPERTY OR SERVICE)

That the tangible personal property or taxable service described herein which I shall purchase from:

\_\_\_\_\_  
(SUPPLIER'S NAME)

will be resold, leased, or rented by me; provided, however, that in the event any such property is used for any purpose other than retention, demonstration, or display while holding it for sale, lease, or rental in the regular course of business, I understand that I am required by the sales and use tax law to report and pay the tax measured by the purchase price of such property.

\_\_\_\_\_  
\_\_\_\_\_  
(Description of kind of property purchased must be provided for the certificate to be valid. For a "Single Purchase," itemize the property purchased; for a "Continuous" certificate, give general description of the kind of property to be purchased for resale, lease, or rental in the regular course of the purchaser's business.)

A "Continuous" certificate giving a general description of the kind of property purchased is good until revoked in writing. If a purchaser, who has given a "Continuous" certificate, asserts that he is buying for resale property of a kind not normally resold in his business, the seller should ask for a "Single Purchase" resale certificate listing the specific property.

PURCHASER'S BUSINESS NAME AND ADDRESS		
TYPE OF BUSINESS ACTIVITY (E.G. MAIL ORDER, TAVERN, ETC.)		
PURCHASER'S SIGNATURE	TITLE	DATE

\* Certain purchasers may use this certificate even though they do not hold a Wisconsin Seller's Permit: (a) A wholesaler who sells only to other sellers for resale may insert "Wholesale Only" in the space for the Seller's Permit number; or (b) A person registered as a seller in another state who makes no retail sales in Wisconsin may insert the name of the state in which registered and that state's Seller's Permit number. However, a supplier may not accept a certificate from a business not holding a Wisconsin Seller's Permit, if the sale involves the supplier's delivery of goods to a consumer in Wisconsin.

**IMPORTANT:** Sellers claiming exemptions by reason of "Sales for Resale" are required to retain resale certificates in support of such exemptions. See back of this form for further information regarding the use of this certificate.

**QUESTIONS:** If either the purchaser or the seller has any questions regarding the completion or use of this resale certificate, please call (608) 266-2776 or write to the Wisconsin Department of Revenue, P.O. Box 8902, Madison, WI 53708-8902.

**This Form May Be Reproduced**

## RESALE CERTIFICATES (FORM S-205)

1. Resale certificates, if taken in good faith and if complete and properly executed, are an aid to sellers in proving that a sale of tangible personal property or taxable service is not a sale at retail. Seller should exercise caution when accepting resale certificates. As required by law, the resale certificate:
  - a. Shall be signed by and bear the name and address of the purchaser.
  - b. Shall indicate the general character of the tangible personal property or service sold by the purchaser.
  - c. Shall contain a general description of the property purchased for resale, if a "Continuous" resale certificate is used; for a "Single Purchase" certificate, an itemization of the property purchased is necessary.
  - d. Shall indicate the Seller's Permit number held by the purchaser, except as noted on the bottom of the form.
  - e. Must be accepted in good faith.

If all these conditions are met, the seller is relieved from the burden of proving that the sale of tangible personal property or taxable services was not a taxable sale at retail.

2. A resale certificate also should indicate the general character of the purchaser's business for the protection of the seller, who can then determine whether to sell a particular article without reimbursement for the tax.
3. The resale certificate must be accepted in "good faith." This means that if the resale certificate does not meet the tests prescribed in the preceding paragraphs, or if the seller has knowledge of acts which give rise to a reasonable inference that the purchaser does not intend to resell the property, the seller should not accept the certificate. If the seller does accept the certificate under such circumstances, then it is not being accepted in good faith, and the seller is not relieved of the burden of proving that the sale was not a sale at retail.
4. A resale certificate may be issued if the purchaser is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose. For example, some construction contractors who also sell construction supplies through retail shops do not know when they purchase such supplies whether they will be consumed in construction contracts or resold to others. In such instances there are two courses open to the construction contractors at the time they make their purchases.
  - a. The construction contractor can give a resale certificate to the supplier. Thereafter, if the items are resold, sales tax must be paid on the sale price to the customer. If the items are used in fulfillment of a construction contract, then use tax is due on the purchase price of the items.
  - b. The construction contractor may pay the supplier for the sales tax on all items. In this case, the obligation has been met on items consumed in construction contracts.

As to the items resold at retail, credit may be taken for the tax previously paid to the supplier. The credit is claimed by entering the purchase price (excluding sales tax paid) under "Tax Paid Purchases Resold Before Use" in the deductions section of the sales tax return (Form ST-12).

5. If a contractor purchases an item custom made for a particular construction contract which will be used in real property construction activity, a resale certificate may not be used to purchase such item without tax.