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**Department of Children and Families
Division of Safety and Permanence**

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Child Welfare Licensing Memo Series 2010-04L

To: Private Child Placing Agencies
Residential Care Center Providers
Group Home Providers
Shelter Care Providers

From: Dondieneita Fleary-Simmons, Bureau Director
Bureau of Permanence and Out of Home Care

A handwritten signature in black ink, appearing to read "Dondieneita Fleary-Simmons".

RE: Sales and Use Tax Exemption

Sales and Use Tax Exemption Expanded to Include Prepared Food for Child Welfare Facilities

2009 Wisconsin Act 204 was signed into law in April, 2010 and will go into effect on May 6, 2010. Effective May 6, the child welfare facilities licensed under Chapter 48 are specifically exempted from sales and use tax on food or food ingredients, except soft drinks, sold or provided to residents of the facilities. The sales and use tax exemption applies to licensed child placement agencies, residential care centers, foster homes, treatment foster homes, group homes, and shelter care facilities

The law change was prompted by a tax case involving sales of prepared food to a shelter care facility for consumption by the residents. The tax case resulted in review of the sales and use tax exemption statutes which did not specifically exempt licensed child welfare facilities in the same way that hospitals, sanatoriums, nursing homes, retirement homes, community-based residential facilities, as defined in sec. 50.01(1g), Wis. Stats., and day care centers registered under Chapter 48, Wis. Stats., were exempt from sales and use taxes. With the law change, child welfare and child care facilities licensed under Chapter 48 are specifically covered by the sales and use tax exemption. This codifies the previous practice of sales of food and food ingredients, except soft drinks, being exempt from sales and use tax for residents of child welfare facilities.

Act 204: <http://docs.legis.wisconsin.gov/2009/related/acts/204>

If you have any questions, please call the Child Welfare Licensing Program Specialist at 262-446-7856

REGIONAL OFFICE CONTACT: Area Administrator

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