

# **Bond Case Briefs**

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### **Citation Partners, LLC v. Wisconsin Department of Revenue**

**Supreme Court of Wisconsin - March 1, 2023 - N.W.2d - 2023 WL 2290355 - 2023 WI 16**

Taxpayer, an aircraft-leasing company, sought review of Tax Appeals Commission's determination that sales tax applied to the total amount paid for an aircraft lease, even if portions of the lease payment were purportedly for engine and aircraft maintenance.

The Circuit Court reversed. Department of Revenue appealed. The Court of Appeals reversed and remanded with directions. Taxpayer petitioned for review.

The Supreme Court held that:

- Lease's charges attributed to aircraft maintenance or engine maintenance were "consideration";
- Sales-tax exemption for sale of parts used to modify or repair aircraft did not apply to lease's charges attributed to aircraft maintenance or engine maintenance;
- Sales-tax exemption for sale of repair, service, and maintenance of any aircraft or aircraft parts did not apply to lease's charges attributed to aircraft maintenance or engine maintenance;
- Lease's total charges were subject to sales tax; and
- Lessor was not lessee's "agent" when lessor purchased aircraft repairs and engine maintenance.