



## 1995 ASSEMBLY BILL 800

January 22, 1996 - Introduced by Representative BLACK. Referred to Joint committee on Finance.

1     **AN ACT** *to renumber and amend* 79.10 (5) (a); *to amend* 20.835 (3) (q), 71.07  
2           (3m) (c) 1., 71.07 (9) (b), 71.28 (2m) (c) 1., 71.47 (2m) (c) 1., 79.10 (7m) (b) 1. a.,  
3           79.10 (11) (b) and 79.14; and *to create* 20.835 (3) (c) of the statutes; **relating**  
4           **to:** the funding for the property tax credits and general school aid, increasing  
5           the farmland tax relief credit, increasing the school property tax credit for  
6           renters and making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

Under current law, total payments of the school levy tax credit are \$469,305,000 in 1997. Under this bill, the total payments of that credit are \$319,305,000, the current amount, in 1997.

Under current law, the estimated amount to be distributed as general school aid in the 1996-97 school year is \$3,152,215,800. This bill reduces the amount to be distributed as general school aid in that fiscal year to no more than \$2,713,095,700.

Under current law, the school property tax credit may be claimed by certain individuals. The credit is nonrefundable, meaning that the amount of the credit that may be claimed may equal, but may not exceed, the amount of income taxes for which the claimant would otherwise be liable. Generally, the credit that may be claimed is calculated as an amount of up to 10% of the first \$2,000 of property taxes paid, or rent constituting property taxes that is paid.

Under this bill, the credit that may be claimed by renters is increased, and is calculated as an amount of up to 17% of the first \$2,000 of rent constituting property taxes that is paid.

Under current law, the farmland tax relief credit may be claimed by individuals and corporations if the farmland to which the claim relates meets certain acreage and gross farm profits requirements. The credit is refundable, meaning that if the



1 and 20.566 (2) (r), and less the required reserve under s. 20.003 (5), to make the  
2 payments under s. 79.10 (5).

3 **SECTION 4.** 71.07 (3m) (c) 1. of the statutes is amended to read:

4 71.07 **(3m)** (c) 1. Any claimant may claim against taxes otherwise due under  
5 this chapter ~~10%~~ 50% of the property taxes accrued in the taxable year to which the  
6 claim relates, ~~up to a maximum claim of \$1,000,~~ except that the credit under this  
7 subsection plus the credit under subch. IX may not exceed 95% of the property taxes  
8 accrued on the farm.

9 **SECTION 5.** 71.07 (9) (b) of the statutes is amended to read:

10 71.07 **(9)** (b) Subject to the limitations under this subsection, a claimant may  
11 claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, 10%  
12 of the first \$2,000 of property taxes or 17% of the first \$2,000 of rent constituting  
13 property taxes, or 10% of the first \$1,000 of property taxes or 17% of the first \$1,000  
14 of rent constituting property taxes of a married person filing separately.

15 **SECTION 6.** 71.28 (2m) (c) 1. of the statutes is amended to read:

16 71.28 **(2m)** (c) 1. Any claimant may claim against taxes otherwise due under  
17 this chapter ~~10%~~ 50% of the property taxes accrued in the taxable year to which the  
18 claim relates, ~~up to a maximum claim of \$1,000,~~ except that the credit under this  
19 subsection plus the credit under subch. IX may not exceed 95% of the property taxes  
20 accrued on the farm.

21 **SECTION 7.** 71.47 (2m) (c) 1. of the statutes is amended to read:

22 71.47 **(2m)** (c) 1. Any claimant may claim against taxes otherwise due under  
23 this chapter ~~10%~~ 50% of the property taxes accrued in the taxable year to which the  
24 claim relates, ~~up to a maximum claim of \$1,000,~~ except that the credit under this

1 subsection plus the credit under subch. IX may not exceed 95% of the property taxes  
2 accrued on the farm.

3 **SECTION 8.** 79.10 (5) (a) of the statutes is renumbered 79.10 (5) and amended  
4 to read:

5 79.10 (5) LOTTERY CREDIT. Each municipality shall receive, from the  
6 ~~appropriation~~ appropriations under s. 20.835 (3) (c) and (q), an amount determined  
7 by multiplying the school tax rate by the estimated fair market value, not exceeding  
8 the value determined under sub. (11), of every parcel of taxable property on which  
9 a principal dwelling is located in the municipality and for which a claim for the credit  
10 under sub. (9) (bm) is made by the owner of the principal dwelling.

11 **SECTION 9.** 79.10 (7m) (b) 1. a. of the statutes is amended to read:

12 79.10 (7m) (b) 1. a. The amount determined under sub. (5) with respect to  
13 claims filed for which the town, village or city has furnished notice under sub. (1m)  
14 by March 1 shall be distributed from the ~~appropriation~~ appropriations under s.  
15 20.835 (3) (c) and (q) by the department of administration on the 4th Monday in  
16 March.

17 **SECTION 10.** 79.10 (11) (b) of the statutes is amended to read:

18 79.10 (11) (b) Before October 16, the department of administration shall  
19 determine the total funds available for distribution under the lottery credit in the  
20 following year and shall inform the joint committee on finance of that total. Total  
21 funds available for distribution shall be ~~all existing and projected lottery proceeds~~  
22 ~~and interest for the fiscal year of the distribution, less the amount estimated to be~~  
23 ~~expended under ss. 20.455 (2) (r), 20.566 (2) (r) and 20.835 (2) (q) and (3) (r) and less~~  
24 ~~the required reserve under s. 20.003 (5) are the amounts in the appropriation~~  
25 accounts under s. 20.835 (3) (c) and (q) for the fiscal year of the distribution. The joint

1 committee on finance may revise the total amount to be distributed if it does so at  
2 a meeting that takes place before November 1. If the joint committee on finance does  
3 not schedule a meeting to take place before November 1, the total determined by the  
4 department of administration shall be the total amount estimated to be distributed  
5 under the lottery credit in the following year.

6 **SECTION 11.** 79.14 of the statutes, as affected by 1995 Wisconsin Act 27, is  
7 amended to read:

8 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b) is  
9 \$319,305,000 in 1994, ~~1995 and 1996~~ and is ~~\$469,305,000 in 1997~~ and thereafter.

10 **SECTION 12. Nonstatutory provisions.**

11 (1) GENERAL SCHOOL AID. Notwithstanding section 20.001 (3) (d) of the statutes  
12 and sections 20.255 (2) (ac) and 121.15 (3m) of the statutes, as affected by 1995  
13 Wisconsin Act 27, in the 1996-97 fiscal year the amount distributed from the  
14 appropriation under section 20.255 (2) (ac) of the statutes, as affected by 1995  
15 Wisconsin Act 27, shall be no more than \$2,713,095,700.

16 **SECTION 13. Initial applicability; revenue.**

17 (1) LOTTERY CREDIT. The treatment of sections 20.835 (3) (c) and (q) and 79.10  
18 (5) (a), (7m) (b) 1. a. and (11) (b) of the statutes first applies to payments made during  
19 1997.

20 (2) FARMLAND TAX RELIEF CREDIT. The treatment of sections 71.07 (3m) (c) 1.,  
21 71.28 (2m) (c) 1. and 71.47 (2m) (c) 1. of the statutes first applies to taxable years  
22 beginning on January 1, 1996.

23 (3) SCHOOL PROPERTY TAX CREDIT. The treatment of section 71.07 (9) (b) of the  
24 statutes first applies to taxable years beginning on January 1, 1996.

25 (END)