



2003 ASSEMBLY BILL 89

February 20, 2003 - Introduced by Representatives M. LEHMAN, JESKEWITZ, W. WOOD, OLSEN, GIELOW, J. LEHMAN, GROTHMAN, SERATTI, TOWNSEND, ZIEGELBAUER, HAHN, F. LASEE, KRAWCZYK, LADWIG and COLON, cosponsored by Senators KANAVAS and A. LASEE. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 70.511 (2) (b), 74.35 (3) (c) and 74.37 (3) (c); and **to create**
2 20.835 (2) (bm), 70.511 (2) (bm), 70.511 (2) (br), 74.35 (3) (cm) and 74.37 (3) (cm)
3 of the statutes; **relating to:** installment payments of refunds of taxes on
4 manufacturing property, the interest on refunded and additional taxes on
5 manufacturing property, and making an appropriation.

Analysis by the Legislative Reference Bureau

The Department of Revenue (DOR) currently assesses manufacturing property for property taxes. DOR determines what property is classified as manufacturing property for property tax purposes. If a reviewing authority for property assessments reduces a manufacturing property's assessed value or determines that manufacturing property is exempt from property tax, an affected taxpayer may file a claim with the municipality for a property tax refund. The municipality pays the refund to the taxpayer in one sum that includes interest on the refund amount, paid at the rate of 0.8% per month.

Under the bill, a municipality may pay a property tax refund to an owner of manufacturing property in five annual installments rather than all at once, and the interest on the refund amount is paid either at a rate of ten percent a year or at a rate determined by the last auction of six-month U.S. treasury bills, whichever is less.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.835 (2) (bm) of the statutes is created to read:

2 20.835 (2) (bm) *Payments of interest on overassessments of manufacturing*
3 *property.* A sum sufficient to make the payments under s. 70.511 (2) (br).

4 **SECTION 2.** 70.511 (2) (b) of the statutes is amended to read:

5 70.511 (2) (b) If the reviewing authority reduces the value of the property in
6 question, or determines that manufacturing property is exempt, the taxpayer may
7 file a claim for refund of taxes resulting from the reduction in value or determination
8 that the property is exempt. If Except as provided in par. (bm), if a claim for refund
9 is filed with the clerk of the municipality on or before the November 1 following the
10 decision of the reviewing authority, the claim shall be payable to the taxpayer from
11 the municipality no later than January 31 of the succeeding year. ~~A~~ Except as
12 provided in par. (bm), a claim filed after November 1 shall be paid to the taxpayer by
13 the municipality no later than the 2nd January 31 after the claim is filed. Interest
14 on the claim at the rate of 0.8% per month; or for property assessed under s. 70.995
15 at the average annual discount interest rate determined by the last auction of
16 6-month U.S. treasury bills before the appeal or objection is filed or 10% per year,
17 whichever is less; shall be paid to the taxpayer when the claim is paid. If the taxpayer
18 requests a postponement of proceedings before the reviewing authority, interest on
19 the claim shall permanently stop accruing at the date of the request. If the hearing
20 is postponed at the request of the taxpayer, the reviewing authority shall hold a
21 hearing on the appeal within 30 days after the postponement is requested unless the

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1 taxpayer agrees to a longer delay. If the reviewing authority postpones the hearing
2 without a request by the taxpayer, interest on the claim shall continue to accrue. No
3 interest may be paid if the reviewing authority determines under s. 70.995 (8) (a) that
4 the value of the property was reduced because the taxpayer supplied false or
5 incomplete information. If taxes are refunded, the municipality may proceed under
6 s. 74.41.

7 **SECTION 3.** 70.511 (2) (bm) of the statutes is created to read:

8 70.511 (2) (bm) A municipality may pay a refund under par. (b) of the taxes on
9 property that is assessed under s. 70.995 in 5 annual installments, each of which
10 except the last is equal to at least 20% of the sum of the refund and the interest on
11 the refund that is due, beginning on the date under par. (b), if all of the following
12 conditions exist:

13 1. The municipality's property tax levy for its general operations for the year
14 for which the taxes to be refunded are due is less than \$100,000,000.

15 2. The refund is at least 0.0025 of the municipality's levy for its general
16 operations for the year for which the taxes to be refunded are due.

17 3. The refund is more than \$10,000.

18 **SECTION 4.** 70.511 (2) (br) of the statutes is created to read:

19 70.511 (2) (br) From the appropriation under s. 20.835 (2) (bm), the department
20 of administration shall pay to each municipality that pays a refund under par. (b) for
21 property that is assessed under s. 70.995 or that pays a refund under par. (bm) an
22 amount equal to the interest that is paid by the municipality in the previous
23 biennium and that has accrued up to the date of the determination by the tax appeals
24 commission of the municipality's obligation.

25 **SECTION 5.** 74.35 (3) (c) of the statutes is amended to read:

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1 74.35 (3) (c) If the governing body of the taxation district determines that an
2 unlawful tax has been paid and that the claim for recovery of the unlawful tax has
3 complied with all legal requirements, the governing body shall allow the claim. The
4 Except as provided in par. (cm), the taxation district treasurer shall pay the claim
5 not later than 90 days after the claim is allowed.

6 **SECTION 6.** 74.35 (3) (cm) of the statutes is created to read:

7 74.35 (3) (cm) A municipality may pay a refund under par. (c) of the taxes on
8 property that is assessed under s. 70.995 in 5 annual installments, each of which
9 except the last is equal to at least 20% of the sum of the refund and the interest on
10 the refund, beginning in the year of the determination, if all of the following
11 conditions exist:

12 1. The municipality's property tax levy for its general operations for the year
13 for which the taxes to be refunded are due is less than \$100,000,000.

14 2. The refund is at least 0.0025 of the municipality's levy for its general
15 operations for the year for which the taxes to be refunded are due.

16 3. The refund is more than \$10,000.

17 **SECTION 7.** 74.37 (3) (c) of the statutes is amended to read:

18 74.37 (3) (c) If the governing body of the taxation district or county that has a
19 county assessor system determines that a tax has been paid which was based on an
20 excessive assessment, and that the claim for an excessive assessment has complied
21 with all legal requirements, the governing body shall allow the claim. The Except
22 as provided in par. (cm), the taxation district or county treasurer shall pay the claim
23 not later than 90 days after the claim is allowed.

24 **SECTION 8.** 74.37 (3) (cm) of the statutes is created to read:

