

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/23/99**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Kratochwill**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax Credits (inc) - farmland**

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - TP (9),

Topic:

Farmland tax relief credit percentage to be determined by DOR; increase maximum amount of credit; cap amount of aggregate credits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 06/24/99	chanaman 06/24/99		_____			
/1			ismith 06/24/99	_____	ismith 06/24/99		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/23/99

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Kratochwill

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax Credits (inc) - farmland

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - TP (9),

Topic:

Farmland tax relief credit percentage to be determined by DOR; increase maximum amount of credit; cap amount of aggregate credits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye	cmu 6/24 /1	6/24 BIS	6/24 IS/MRC			

FE Sent For:

<END>

Property Taxes

already entered

~~8. **Lottery Tax Credit.** Specify that, for 1999-00 and 2000-01, the current lottery fund appropriations for the following purposes would be replaced with general fund appropriations for the same purposes:~~

- ~~a. Retailer compensation;~~
- ~~b. Vendor fees;~~
- ~~c. General program operations (lottery);~~
- ~~d. Gaming law enforcement (DOJ);~~
- ~~e. Lottery credit administration (DOR); and~~
- ~~f. Farmland tax relief credit.~~

~~Estimate increased general fund expenditures (GPR) and decreased lottery fund expenditures (SEG) of \$76,471,400 in 1999-00 and \$79,348,800 in 2000-01 to reflect this replacement. Estimate increased lottery fund expenditures (SEG) for the lottery tax credit of \$76,471,400 in 1999-00 and \$79,348,800 in 2000-01. Total lottery tax credit expenditures would be an estimated \$188,908,400 in 1999-00 and \$185,071,900 in 2000-01. Under these modifications, the estimated, statewide average lottery tax credit would increase from \$90 to \$151 in 1999-00 and from \$85 to \$148 in 2000-01.~~

9. **Farmland Tax Relief Credit.** Modify the farmland tax relief credit as follows:

a. Replace the reimbursement rate, which is set at 10% under current law, with a percentage determined annually by DOR that will distribute the estimated expenditures under the farmland tax relief credit for the current year;

b. Increase the maximum farmland tax relief credit from \$1,000 to \$2,000 for 1999-00 and 2000-01 and set the maximum credit at \$1,500 for 2001-02 and thereafter;

c. Define estimated expenditures under the farmland tax relief credit as follows: (1) for 1999-00, \$20 million; (2) for 2000-01, \$20 million plus an amount equal to the amount estimated to be expended as farmland tax relief credits in the previous year minus the actual expenditure of farmland tax relief credits in the previous year; and (3) for 2001-02 and thereafter, \$15 million plus an amount equal to the amount estimated to be expended as farmland tax relief credits in the previous year minus the actual expenditure of farmland tax relief credits in the previous year; and

d. Increase estimated expenditures under the farmland tax relief credit by \$5,000,000 GPR in both 1999-00 and 2000-01.

1166

This provision would modify the farmland tax relief credit as proposed in the version of SB 114 passed by the Senate, but would increase the funding level for each year of the 1999-01 biennium from \$15 million to \$20 million. The average tax credit would increase from an estimated \$260 under SB 114 to \$347. Under current law, the average tax credit is estimated at \$184.

1167
10. *Tax Exemption for Air Carriers with Hub Terminal Facilities.* Provide an exemption from Chapter 70 property taxes and from Chapter 76 state ad valorem taxes for all property owned by an air carrier that operates an air carrier hub terminal facility in Wisconsin, effective with property assessed as of January 1, 2000. Define air carrier hub terminal facility as a facility from which the air carrier operated at least 45 common carrier departing flights each weekday in the prior year, either to 15 or more nonstop destinations on which the general public may fly or to nonstop destinations for the purpose of transporting cargo and air freight. Require DOR to promulgate an administrative rule defining "nonstop" for purposes of this provision. Reduce estimated transportation fund revenue from air carriers by \$748,800 in 1999-00 and \$1,497,600 in 2000-01. Currently, the exemption would apply only to Midwest Express Airlines.

Create a new, transportation fund appropriation for the aeronautics assistance program and specify that all proceeds from the ad valorem tax on air carriers would be deposited in this appropriation. Estimate the amounts deposited in this appropriation at \$7,293,400 SEG in 1999-00 and \$6,349,600 SEG in 2000-01. Reduce the existing appropriation for aeronautics assistance by \$8,042,200 SEG in 1999-00 and \$7,847,200 SEG in 2000-01 to reflect the creation of the new appropriation. Total funding for aeronautics assistance would decrease by \$748,800 SEG in 1999-00 and \$1,497,600 SEG in 2000-01.

1168
11. *Property Tax Exemption for Certain Motion Picture Theatre Equipment.* Provide a property tax exemption for projection equipment, sound systems and theatre screens owned and used by motion picture theatres, effective with property assessed as of January 1, 2000. Estimate decreased state forestry taxes at \$2,000 (SEG) in 2000-01. The value of the affected property is estimated at \$9.8 million, statewide. Assuming the property is taxed at the statewide average tax rate for cities, the gross taxes on the property are estimated at \$252,000. After deducting state property tax credits, the net taxes on the property are estimated at \$236,000. The proposal would shift the taxes on the property that would become exempt to property that remains taxable.

1170
12. *Property Tax Exemption for Digital Broadcasting Equipment.* Provide a property tax exemption for digital broadcasting equipment owned and used by licensed television and radio stations, effective with property assessed as of January 1, 2000. Specify that the exemption does not extend to property of cable television systems. This provision would reduce state forestry tax revenues by an unknown amount and would shift taxes from the exempt property to other property that remains taxable. Based on information provided by local assessors and by broadcast industry sources, broadcasting equipment has a 1999 value estimated at \$165 million, but the portion of that value that is comprised of digital equipment is unknown. As digital equipment replaces analog equipment, the tax base would decline from \$165 million to \$0, but analog equipment will continue to be used until 2006, or later, under the Federal Communications Commission mandate requiring



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1166/2

JK:.....

cmj

ARC:.....Kratowill - TP (9), Farmland tax relief credit percentage to be determined by DOR; increase maximum amount of credit; cap amount of aggregate credits

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

SOON

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 849, line 7: after that line insert:

3 "SECTION 1710df. 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%~~ a percentage, as determined by the department under subd. 3., of
6 the property taxes accrued in the taxable year to which the claim relates, up to a
7 maximum claim of ~~\$1,000~~ \$2,000 for taxable years ending before January 1, 2001,
8 and up to a maximum claim of \$1,500 for taxable years beginning after December 31,

1 2000, except that the credit under this subsection plus the credit under subch. IX
2 may not exceed 95% of the property taxes accrued on the farm.

3 **SECTION 1710dg.** 71.07 (3m) (c) 3. of the statutes is created to read:

4 71.07 (3m) (c) 3. The department shall annually adjust the percentage that is
5 used to determine the amount of the claim under subd. 1. based on the estimated
6 number of claims and the amount estimated to be expended from the appropriation
7 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall
8 incorporate the annually adjusted percentage into the income tax forms and
9 instructions.”.

10 **2.** Page 913, line 7: after that line insert:

11 **“SECTION 1744bd.** 71.28 (2m) (c) 1. of the statutes is amended to read:

12 71.28 (2m) (c) 1. Any claimant may claim against taxes otherwise due under
13 this chapter 10% a percentage, as determined by the department under subd. 3., of
14 the property taxes accrued in the taxable year to which the claim relates, up to a
15 maximum claim of \$1,000 \$2,000 for taxable years ending before January 1, 2001,
16 and up to a maximum claim of \$1,500 for taxable years beginning after December 31,
17 2000, except that the credit under this subsection plus the credit under subch. IX
18 may not exceed 95% of the property taxes accrued on the farm.

19 **SECTION 1744bg.** 71.28 (2m) (c) 3. of the statutes is created to read:

20 71.28 (2m) (c) 3. The department shall annually adjust the percentage that is
21 used to determine the amount of the claim under subd. 1. based on the estimated
22 number of claims and the amount estimated to be expended from the appropriation
23 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall

1 incorporate the annually adjusted percentage into the income tax forms and
2 instructions.”.

3 **3.** Page 943, line 22: after that line insert:

4 **“SECTION 1757bd.** 71.47 (2m) (c) 1. of the statutes is amended to read:

5 71.47 (2m) (c) 1. Any claimant may claim against taxes otherwise due under
6 this chapter ~~10%~~ a percentage, as determined by the department under subd. 3., of
7 the property taxes accrued in the taxable year to which the claim relates, up to a
8 maximum claim of ~~\$1,000~~ \$2,000 for taxable years ending before January 1, 2001,
9 and up to a maximum claim of \$1,500 for taxable years beginning after December 31,
10 2000, except that the credit under this subsection plus the credit under subch. IX
11 may not exceed 95% of the property taxes accrued on the farm.

12 **SECTION 1757bg.** 71.47 (2m) (c) 3. of the statutes is created to read:

13 71.47 (2m) (c) 3. The department shall annually adjust the percentage that is
14 used to determine the amount of the claim under subd. 1. based on the estimated
15 number of claims and the amount estimated to be expended from the appropriation
16 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall
17 incorporate the annually adjusted percentage into the income tax forms and
18 instructions.”.

19 **4.** Page 958, line 14: after that line insert:

20 **“SECTION 1818Ld.** 79.13 of the statutes is created to read:

21 **79.13 Farmland tax relief credit.** (1) In the 1999–2000 fiscal year, the
22 amount estimated to be expended from the appropriation under s. 20.835 (2) (q) is
23 \$20,000,000.

1 (2) In the 2000–01 fiscal year, the amount estimated to be expended from the
 2 appropriation under s. 20.835 (2) (q) is \$20,000,000, plus the amount that ~~is~~^{was}
 3 estimated to be expended from the appropriation under s. 20.835 (2) (q) in the
 4 previous fiscal year and less the actual amount that ~~is~~^{was} expended from the
 5 appropriation under s. 20.835 (2) (q) in the previous fiscal year.

6 (3) In the 2001–02 fiscal year, and in each fiscal year thereafter, the amount
 7 estimated to be expended from the appropriation under s. 20.835 (2) (q) is
 8 \$15,000,000, plus the amount that ~~is~~^{was} estimated to be expended from the
 9 appropriation under s. 20.835 (2) (q) in the previous fiscal year and less the actual
 10 amount that ~~is~~^{was} expended from the appropriation under s. 20.835 (2) (q) in the
 11 previous fiscal year.”.

12 **5.** Page 1599, line 17: after that line insert:

13 “(22^g~~(m)~~) FARMLAND TAX RELIEF CREDIT. The treatment of sections 71.07 (3m) (c)
 14 1. and 3., 71.28 (2m) (c) 1. and 3. and 71.47 (2m) (c) 1. and 3. of the statutes first
 15 applies to property taxes that are levied in 1999 and that are payable in 2000.”.

16 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1166/1
JK:cmh:ijs

ARC:.....Kratochwill – TP (9), Farmland tax relief credit percentage to be determined by DOR; increase maximum amount of credit; cap amount of aggregate credits

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 849, line 7: after that line insert:

3 “SECTION 1710df. 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% a percentage, as determined by the department under subd. 3.,~~ of
6 the property taxes accrued in the taxable year to which the claim relates, up to a
7 maximum claim of ~~\$1,000~~ \$2,000 for taxable years ending before January 1, 2001,
8 and up to a maximum claim of \$1,500 for taxable years beginning after December 31,

1 2000, except that the credit under this subsection plus the credit under subch. IX
2 may not exceed 95% of the property taxes accrued on the farm.

3 **SECTION 1710dg.** 71.07 (3m) (c) 3. of the statutes is created to read:

4 71.07 (3m) (c) 3. The department shall annually adjust the percentage that is
5 used to determine the amount of the claim under subd. 1. based on the estimated
6 number of claims and the amount estimated to be expended from the appropriation
7 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall
8 incorporate the annually adjusted percentage into the income tax forms and
9 instructions.”.

10 **2.** Page 913, line 7: after that line insert:

11 “**SECTION 1744bd.** 71.28 (2m) (c) 1. of the statutes is amended to read:

12 71.28 (2m) (c) 1. Any claimant may claim against taxes otherwise due under
13 this chapter ~~10%~~ a percentage, as determined by the department under subd. 3., of
14 the property taxes accrued in the taxable year to which the claim relates, up to a
15 maximum claim of ~~\$1,000~~ \$2,000 for taxable years ending before January 1, 2001,
16 and up to a maximum claim of \$1,500 for taxable years beginning after December 31,
17 2000, except that the credit under this subsection plus the credit under subch. IX
18 may not exceed 95% of the property taxes accrued on the farm.

19 **SECTION 1744bg.** 71.28 (2m) (c) 3. of the statutes is created to read:

20 71.28 (2m) (c) 3. The department shall annually adjust the percentage that is
21 used to determine the amount of the claim under subd. 1. based on the estimated
22 number of claims and the amount estimated to be expended from the appropriation
23 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall

1 incorporate the annually adjusted percentage into the income tax forms and
2 instructions.”

3 **3.** Page 943, line 22: after that line insert:

4 “SECTION 1757bd. 71.47 (2m) (c) 1. of the statutes is amended to read:

5 71.47 (2m) (c) 1. Any claimant may claim against taxes otherwise due under
6 this chapter ~~10% a percentage, as determined by the department under subd. 3.,~~ of
7 the property taxes accrued in the taxable year to which the claim relates, up to a
8 maximum claim of ~~\$1,000~~ \$2,000 for taxable years ending before January 1, 2001,
9 and up to a maximum claim of \$1,500 for taxable years beginning after December 31,
10 2000, except that the credit under this subsection plus the credit under subch. IX
11 may not exceed 95% of the property taxes accrued on the farm.

12 SECTION 1757bg. 71.47 (2m) (c) 3. of the statutes is created to read:

13 71.47 (2m) (c) 3. The department shall annually adjust the percentage that is
14 used to determine the amount of the claim under subd. 1. based on the estimated
15 number of claims and the amount estimated to be expended from the appropriation
16 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall
17 incorporate the annually adjusted percentage into the income tax forms and
18 instructions.”

19 **4.** Page 958, line 14: after that line insert:

20 “SECTION 1818Ld. 79.13 of the statutes is created to read:

21 **79.13 Farmland tax relief credit.** (1) In the 1999–2000 fiscal year, the
22 amount estimated to be expended from the appropriation under s. 20.835 (2) (q) is
23 \$20,000,000.

1 (2) In the 2000–01 fiscal year, the amount estimated to be expended from the
2 appropriation under s. 20.835 (2) (q) is \$20,000,000, plus the amount that was
3 estimated to be expended from the appropriation under s. 20.835 (2) (q) in the
4 previous fiscal year and less the actual amount that was expended from the
5 appropriation under s. 20.835 (2) (q) in the previous fiscal year.

6 (3) In the 2001–02 fiscal year, and in each fiscal year thereafter, the amount
7 estimated to be expended from the appropriation under s. 20.835 (2) (q) is
8 \$15,000,000, plus the amount that was estimated to be expended from the
9 appropriation under s. 20.835 (2) (q) in the previous fiscal year and less the actual
10 amount that was expended from the appropriation under s. 20.835 (2) (q) in the
11 previous fiscal year.”.

12 **5.** Page 1599, line 17: after that line insert:

13 “(22g) FARMLAND TAX RELIEF CREDIT. The treatment of sections 71.07 (3m) (c) 1.
14 and 3., 71.28 (2m) (c) 1. and 3. and 71.47 (2m) (c) 1. and 3. of the statutes first applies
15 to property taxes that are levied in 1999 and that are payable in 2000.”.

16 (END)