

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 - property**

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - TP (11),

Topic:

Property tax exemption for motion picture theater equipment

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>
/1	jkreye 06/23/99	ygeller 06/23/99	hhagen 06/23/99	_____	lrb_docadmin 06/24/99		

FE Sent For:

<END>

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1?	jkreye	1 6/23 jkg		Ch/KR 6/23			

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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

LRBb11687

JK.:....

RMK Jlg

theater WFO-Fix request sheet

ARC:.....Kratochwill - TP (11), Property tax exemption for motion picture
theatre equipment

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 811, line 18: after that line insert:
- 3 "SECTION 1653d. 70.111 (24) of the statutes is created to read:
- 4 70.111 (24) MOTION PICTURE THEATER EQUIPMENT. Projection equipment, sound
- 5 systems and projection screens that are owned and used by a motion picture
- 6 theater."
- 7 2. Page 1600, line 3: after that line insert:
- 8 "initial
app (23b) MOTION PICTURE THEATER EQUIPMENT. The treatment of section 70.111 (24)
- 9 of the statutes first applies to the property tax assessments of January 1, 2000."

10

(END)

as



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1168/1
JK:jlg:ksh

ARC:.....Kratochwill – TP (11), Property tax exemption for motion picture
theater equipment

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 811, line 18: after that line insert:

3 **“SECTION 1653d.** 70.111 (24) of the statutes is created to read:

4 **70.111 (24) MOTION PICTURE THEATER EQUIPMENT.** Projection equipment, sound
5 systems and projection screens that are owned and used by a motion picture
6 theater.”.

7 **2.** Page 1600, line 3: after that line insert:

8 **“(23b) MOTION PICTURE THEATER EQUIPMENT.** The treatment of section 70.111 (24)
9 of the statutes first applies to the property tax assessments as of January 1, 2000.”.

10

(END)