

2001 DRAFTING REQUEST

Bill

Received: 11/06/2000

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Administration-Budget 6-5468

By/Representing: Ziegler

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax Credits (prop) - lottery

Extra Copies:

Pre Topic:

DOA:.....Ziegler -

Topic:

Corrections to municipal lottery credit payments

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 11/13/2000	csicilia 11/16/2000	pgreensl 11/16/2000	_____	lrb_docadmin 11/16/2000		S&L
	jkreye 01/12/2001	csicilia 01/12/2001		_____			
/2	jkreye 01/17/2001	gilfokm 01/17/2001	martykr 01/12/2001	_____	lrb_docadmin 01/12/2001		S&L
/3		gilfokm 02/03/2001	kfollet 01/18/2001	_____	lrb_docadmin 01/18/2001		S&L
/4			jfrantzc 02/03/2001	_____	lrb_docadmin 02/03/2001		S&L

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/3		<i>14-2/6/mg</i> 13-01	kfollet 01/18/2001	_____	lrb_docadmin 01/18/2001		S&L

FE Sent For:

To 2/3 Self
2/3

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/2		13-1/KMS 1/7-01	martynkr 01/12/2001	_____	lrb_docadmin 01/12/2001		S&L

FE Sent For:

10/18
kjf/13
1/18
<END>

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1/2 cjs 1/12
01

km/12

RS
km/13

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<END>

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1?	jkreye	/1 cjs 11/16/00	11/16 py	11/16 self			

FE Sent For:

<END>

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

0923

Date: November 2, 2000

To: Steve Miller, Chief
Legislative Reference Bureau

From: Paul Ziegler, Policy and Budget Analyst
State Budget Office, DOA

Subject: Drafting request for 2001-03 Biennial Budget Bill

A handwritten signature, likely of Paul Ziegler, consisting of a stylized 'P' and 'Z'.

Please have the following item related to the lottery and gaming credit drafted for possible inclusion in the 2001-03 biennial budget bill:

- ✓ Corrections to municipal lottery credit payments. Provide the Department of Revenue with the authority to make corrections to municipal lottery credit payments at the time payment errors are discovered. Please see the attached description from the Department of Revenue.

Please contact me at 266-5468 or by email at paul.ziegler@doa.state.wi.us with any questions.

Thank you.

TITLE: Lottery Credit—Provide Method for Correcting Payments

SUMMARY OF RECOMMENDATION:

Provide DOR with the authority to make corrections to municipal lottery credit payments at the time payment errors are discovered. Under current law, corrections are made only on an annual basis, as part of the subsequent year's lottery credit distributions (in March of each year).

DESCRIPTION OF CURRENT LAW AND PROBLEM:

Current law provides for a correction to be made to the subsequent year's distribution of lottery and gaming credit when an error is discovered. Municipalities report the amount of credit to the Department of Revenue by March 1 each year. If they make an error on the filed report, the amount of lottery credit paid on the 4th Monday in March will not be the same as the amount actually applied on the property tax rolls. Municipalities must settle with the other taxing jurisdictions for the amount applied on the tax rolls. When an error occurs, this can leave them with a cash shortfall.

Occasionally the amount a municipality reports to the state is higher than actual claims dictate. If this happened, a municipality must refund any excess to the State of Wisconsin. That procedure need to be described in the law.

FISCAL/ADMINISTRATIVE IMPACT:

None.

DRAFTING INSTRUCTIONS:

Amend section 79.10(6m).

Provide for additional payments to be made if a municipality files a written correction to the original data reported in March. Provide that no interest is added. Provide that overpayments can be paid to Department of Revenue. Provide that if overpayments are not paid to the Department of Revenue the amount of overpayment can be collected as a state special charge by the Department of Administration.

EFFECTIVE DATE OR INITIAL APPLICABILITY

Effective upon passage.

PERSON TO CONTACT: Frank Humphrey, 266-1657 or Ken Schuck, 266-0204



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0923/2

JK:.....

gjs RMR

DOA:.....Ziegler - Corrections to municipal lottery credit payments

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

M 11-13-00

500N

Do NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION ✓

PROPERTY TAXATION ✓

Under current law, a municipality must notify DOR, by March 1, of the total amount of the lottery and gaming property tax credits that the municipality has allocated to property owners in the municipality. DOA then distributes that amount to the municipality to compensate the municipality for the credits.

Under current law, DOA or DOR may correct any overpayment or underpayment of the lottery and gaming property tax credit amount that is made to a municipality, if DOA or DOR discovers the error by October 1 of the year of such payment. DOA or DOR corrects the error by increasing or decreasing, as appropriate, the subsequent year's payment of the property tax credit amount to the municipality. All such corrections are made without interest. must

Under this bill, a municipality ~~may~~ also correct any overpayment of the lottery and gaming property tax credit amount that the municipality receives, if, after March 1 of the year of such payment, the municipality discovers an error in the notice that the municipality sent to DOR that resulted in the overpayment. The municipality may pay the overpayment, without interest, to DOR. If the municipality does not pay the overpayment to DOR, DOA collects the overpayment, without interest, from the municipality.

Kreye, Joseph

From: Ziegler, Paul
Sent: Wednesday, January 10, 2001 5:39 PM
To: Kreye, Joseph
Subject: FW: LRB Draft: 01-0923/1 Corrections to municipal lottery credit payments

Joe -- We need a few changes to draft 0923/1 -- corrections to municipal lottery credit payments.

First, on page 2 line 13, after municipality add "or under (a) if applicable". The intent of this addition is to give the state the flexibility to retrieve the overpayment either as a special charge or under the current methodology. If an overpayment amount is very small, or somehow the timing wrong, it may not be worth chasing after it as a special charge.

Second, we need to add a Section 3 to the draft to add a provision allowing the state to make a payment to the municipality if the municipality determines it was underpaid. The section could read something like this:

If, after March 1 of the year of any distribution under sub (5), a municipality discovers an error in the notice that the municipality furnished under sub (1m) that resulted in an underpayment of that year's distribution to the municipality, as determined under sub (5), the municipality shall correct the error and notify the department of revenue of the correction on a form the department prescribes. The department of revenue may pay the amount of the underpayment to the municipality or make a correction under paragraph (a) if applicable. Payments under this paragraph shall be without interest.

The intent here, again, is to allow flexibility. If the underpayment is too small, or somehow the timing is not good, the department of revenue could still make a correction under the current mechanism.

Thank you.

-----Original Message-----

From: Greenslet, Patty
Sent: Thursday, November 16, 2000 3:02 PM
To: Ziegler, Paul
Cc: Koskinen, John; Currier, Dawn; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 01-0923/1 Corrections to municipal lottery credit payments

Following is the PDF version of draft 01-0923/1.



01-0923/1



In 1-12-01

SOON

DOA:.....Ziegler - Corrections to municipal lottery credit payments

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

9 Under the bill, if, after March 1 of the year that a municipality receives a lottery and gaming property tax credit payment, the municipality discovers an error in the notice that resulted in an underpayment to the municipality, the municipality shall correct the error and notify DORO DOR either pays the underpayment, without interest or increases the subsequent year's payment to the municipality.

Do NOT GEN

1 AN ACT...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

Under current law, a municipality must notify DOR, by March 1, of the total amount of the lottery and gaming property tax credits that the municipality has allocated to property owners in the municipality. DOA then distributes that amount to the municipality to compensate the municipality for the credits.

Under current law, DOA or DOR may correct any overpayment or underpayment of the lottery and gaming property tax credit amount that is made to a municipality, if DOA or DOR discovers the error by October 1 of the year of such payment. DOA or DOR corrects the error by increasing or decreasing, as appropriate, the subsequent year's payment of the property tax credit amount to the municipality. All such corrections are made without interest.

Under this bill, a municipality must also correct any overpayment of the lottery and gaming property tax credit amount that the municipality receives, if, after March 1 of the year of such payment, the municipality discovers an error in the notice that the municipality sent to DOR that resulted in the overpayment. The municipality may pay the overpayment, without interest, to DOR. If the municipality does not pay the overpayment to DOR, DOA collects the overpayment, without interest, from the municipality.

either
or decreases the subsequent year's payment to the municipality

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. 79.10 (6m) of the statutes is renumbered 79.10 (6m) (a).

2 SECTION 2. 79.10 (6m) (b) of the statutes is created to read:

3 79.10 (6m) (b) If, after March 1 of the year of any distribution under sub. (5),
4 a municipality discovers an error in the notice that the municipality furnished under
5 sub. (1m) that resulted in an overpayment of that year's distribution to the
6 municipality, as determined under sub. (5), the municipality shall correct the error
7 and notify the department of revenue of the correction on a form the department
8 prescribes. The municipality may pay the amount of the overpayment to the
9 department of revenue and, if the municipality chooses to make such a payment,
10 shall submit the payment with the form prescribed under this paragraph. If the
11 municipality does not pay the amount of the overpayment, the department of
12 administration shall collect the amount of the overpayment as a special charge to the
13 municipality. Payments under this paragraph shall be without interest and shall be
14 deposited in the lottery fund.

12
13

or as provided under par. (a)
correct the overpayment

(END)

INSERT 2 -14

¶ sec # 20.835(3) (qm) ¹
¶ 20.835(3) (qm) ² Lottery and gaming credit underpayments. ³

From the lottery fund, a sum sufficient to make the payments under s. 79.10(6m)(c).

923/2
vbc

Insert 2-14

¶ Sec # ^② or; 79.10(6m)(c)

¶ 79.10(6m)(c) ¶, after March 1 of the year of any distribution under sub. (5), a municipality discovers an error in the notice that the municipality provided under sub. (1m) that resulted in an underpayment of that year's distribution to the municipality, as determined under sub. (5), the municipality shall correct the error and notify the department of revenue on a form the department ^{prescribes} either prescribes. The department of revenue may pay the amount of the underpayment to the municipality from the appropriation under s. 20.835(9m) or correct the underpayment as provided under par. (a). Payments under this paragraph shall be without interest.

— end of insert 2-14 —



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0923/2

JK:cjs:km

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King

DOA:.....Ziegler - Corrections to municipal lottery credit payments
FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

m 1-17-01

500A

1

AN ACT ^{DON'T GEN. CAT.} relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

Under current law, a municipality must notify DOR, by March 1, of the total amount of the lottery and gaming property tax credits that the municipality has allocated to property owners in the municipality. DOA then distributes that amount to the municipality to compensate the municipality for the credits.

Under current law, DOA or DOR may correct any overpayment or underpayment of the lottery and gaming property tax credit amount that is made to a municipality, if DOA or DOR discovers the error by October 1 of the year of such payment. DOA or DOR corrects the error by increasing or decreasing, as appropriate, the subsequent year's payment of the property tax credit amount to the municipality. All such corrections are made without interest.

Under this bill, a municipality must also correct any overpayment of the lottery and gaming property tax credit amount that the municipality receives, if, after March 1 of the year of such payment, the municipality discovers an error in the notice that the municipality sent to DOR that resulted in the overpayment. The municipality may pay the overpayment, without interest, to DOR. If the municipality does not pay the overpayment to DOR, DOA either collects the overpayment, without interest, from the municipality or decreases the subsequent year's payment to the municipality.

) DOA, or DOR

DOA, or DOR

Under the bill, if, after March 1 of the year that a municipality receives a lottery and gaming property tax credit payment, the municipality discovers an error in the notice that resulted in an underpayment to the municipality, the municipality shall correct the error and notify DOR. DOR either pays the underpayment, without interest or increases the subsequent year's payment to the municipality.

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

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

~~SECTION 1. 20.835 (3) (qm) of the statutes is created to read:~~

~~20.835 (3) (qm) Lottery and gaming credit underpayments. From the lottery fund, a sum sufficient to make the payments under s. 79.10 (6m) (c).~~

~~SECTION 2. 79.10 (6m) of the statutes is renumbered 79.10 (6m) (a).~~

SECTION 3. 79.10 (6m) (b) of the statutes is created to read:

79.10 (6m) (b) If, after March 1 of the year of any distribution under sub. (5), a municipality discovers an error in the notice that the municipality furnished under sub. (1m) that resulted in an overpayment of that year's distribution to the municipality, as determined under sub. (5), the municipality shall correct the error and notify the department of revenue of the correction on a form ^{that} the department prescribes. The municipality may pay the amount of the overpayment to the

department of revenue and, if the municipality chooses to make such a payment, shall submit the payment with the form prescribed under this paragraph. If the municipality does not pay the amount of the overpayment, the department of administration may collect the amount of the overpayment ~~either~~ ^{may} as a special charge to the municipality or correct the overpayment as provided under par. (a). Payments under this paragraph shall be without interest and shall be deposited in the lottery fund.

INSERT B

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0923/2³ins
JK:cjs:km

insert A

1 SECTION 1. 20.835 (3) (q) of the statutes is amended to read:
2 20.835 (3) (q) *Lottery and gaming credit.* From the lottery fund, a sum
3 sufficient to make the payments under s. 79.10 (5) and (6m) (c).

History: 1971 c. 125 ss. 192 to 195, 521; 1971 c. 215; 1973 c. 90, 158, 333; 1975 c. 39; 1975 c. 372 s. 41; 1975 c. 424; 1977 c. 29, 31, 313, 418, 447; 1979 c. 34 ss. 637m to 643m, 2102 (46) (d); 1979 c. 221; 1979 c. 329 s. 25 (1); 1979 c. 350 s. 27 (1); 1981 c. 1, 20, 93, 317; 1983 a. 2 ss. 1, 12; 1983 a. 27 ss. 489m, 490m, 2202 (45); 1985 a. 29, 41, 205; 1987 a. 27 ss. 473 to 474r, 476; 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 323, 328, 399, 411, 422; 1989 a. 31 ss. 551 to 557m, 564m; 1989 a. 56 s. 259; 1989 a. 336; 1991 a. 37; 1991 a. 39 ss. 250m, 653m to 659m; 1991 a. 225, 269; 1993 a. 16, 263; 1995 a. 27, 56, 209, 417; 1997 a. 27, 237; 1999 a. 5, 9, 10; 1999 a. 150 s. 672; 1999 a. 167.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

insert B

4 ^{mw 9/} If, after March 1 of the year of any distribution under sub. (5), the department
5 of administration or the department ^{of} revenue discovers an error in the notice that
6 the municipality furnished under sub. (1m) that resulted in an overpayment of that
7 year's distribution to the municipality, as determined under sub. (5), the department
8 of administration or the department of revenue shall notify the municipality and the
9 municipality shall correct the error.

insert C

10 ^{mw 9/} If, after March 1 of the year of any distribution under sub. (5), the department
11 of administration or the department ^{of} revenue discovers an error in the notice that
12 the municipality furnished under sub. (1m) that resulted in an underpayment of that
13 year's distribution to the municipality, as determined under sub. (5), the department
14 of administration or the department of revenue shall notify the municipality and the
15 municipality shall correct the error.

INSERT A-A

INSERT A-A

Section #. 79.10 (6m) of the statutes is renumbered 79.10(6m)(a) and amended to read:

except as provided in pars. (b) and (c), if

79.10 (6m) (a) ~~CORRECTIONS OF STATE PROPERTY TAX CREDIT PAYMENTS.~~ If the department of administration or the department of revenue determines by October 1 of the year of any distribution under subs. (4) and (5) that there was an overpayment or underpayment made in that year's distribution by the department of administration to municipalities, as determined under subs. (4) and (5), because of an error by the department of administration, the department of revenue or any municipality, the overpayment or underpayment shall be corrected as provided in this subsection. Any overpayment shall be corrected by reducing the subsequent year's distribution, as determined under subs. (4) and (5), by an amount equal to the amount of the overpayment. Any underpayment shall be corrected by increasing the subsequent year's distribution, as determined under subs. (4) and (5), by an amount equal to the amount of the underpayment. Corrections shall be made in the distributions to all municipalities affected by the error. Corrections shall be without interest.

History: 1971 c. 125 ss. 412, 521; Stats. 1971 s. 79.10; 1973 c. 90; 1975 c. 39, 199; 1977 c. 29, 418; 1979 c. 110 s. 60 (11); 1981 c. 20 ss. 1174 to 1182n, 2202 (45) (b); 1981 c. 93, 314, 317; 1983 a. 2 ss. 6 to 10, 12; 1983 a. 3, 27; 1983 a. 189 s. 329 (17m); 1983 a. 395; 1985 a. 4, 29, 39, 120; 1987 a. 27, 378; 1991 a. 39, 225, 269, 323; 1993 a. 16; 1995 a. 27; 1997 a. 27, 164; 1999 a. 5, 9, 83, 84, 185.

paragraph



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0923/3

JK:ejis&kmg:kjf

SOON

DOA:.....Ziegler - Corrections to municipal lottery credit payments
FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

D-NOTE

1 AN ACT ...; relating to: the budget.

DON'T
GEN. CAT.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

Under current law, a municipality must notify DOR, by March 1, of the total amount of the lottery and gaming property tax credits that the municipality has allocated to property owners in the municipality. DOA then distributes that amount to the municipality to compensate the municipality for the credits.

Under current law, DOA or DOR may correct any overpayment or underpayment of the lottery and gaming property tax credit amount that is made to a municipality, if DOA or DOR discovers the error by October 1 of the year of such payment. DOA or DOR corrects the error by increasing or decreasing, as appropriate, the subsequent year's payment of the property tax credit amount to the municipality. All such corrections are made without interest.

Under this bill, a municipality must also correct any overpayment of the lottery and gaming property tax credit amount that the municipality receives, if, after March 1 of the year of such payment, the municipality, DOA, or DOR discovers an error in the notice that the municipality sent to DOR that resulted in the overpayment. The municipality may pay the overpayment, without interest, to DOR. If the municipality does not pay the overpayment to DOR, DOA either collects the overpayment, without interest, from the municipality or decreases the subsequent year's payment to the municipality.

Under the bill, if, after March 1 of the year that a municipality receives a lottery and gaming property tax credit payment, the municipality, DOA, or DOR discovers an error in the notice that resulted in an underpayment to the municipality, the municipality shall correct the error. DOR either pays the underpayment, without interest or increases the subsequent year's payment to the municipality.

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 (3) (q) of the statutes is amended to read:

2 20.835 (3) (q) *Lottery and gaming credit.* From the lottery fund, a sum
3 sufficient to make the payments under s. 79.10 (5) and (6m) (c).

~~***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.~~

4 **SECTION 2.** 79.10 (6m) of the statutes is renumbered 79.10 (6m) (a) and
5 amended to read:

6 79.10 (6m) (a) If Except as provided in pars. (b) and (c), if the department of
7 administration or the department of revenue determines by October 1 of the year of
8 any distribution under subs. (4) and (5) that there was an overpayment or
9 underpayment made in that year's distribution by the department of administration
10 to municipalities, as determined under subs. (4) and (5), because of an error by the
11 department of administration, the department of revenue or any municipality, the
12 overpayment or underpayment shall be corrected as provided in this subsection
13 paragraph. Any overpayment shall be corrected by reducing the subsequent year's
14 distribution, as determined under subs. (4) and (5), by an amount equal to the
15 amount of the overpayment. Any underpayment shall be corrected by increasing the
16 subsequent year's distribution, as determined under subs. (4) and (5), by an amount
17 equal to the amount of the underpayment. Corrections shall be made in the

1 distributions to all municipalities affected by the error. Corrections shall be without
2 interest.

3 **SECTION 3.** 79.10 (6m) (b) of the statutes is created to read:

4 79.10 (6m) (b) If, after March 1 of the year of any distribution under sub. (5),
5 a municipality discovers an error in the notice that the municipality furnished under
6 sub. (1m) that resulted in an overpayment of that year's distribution to the
7 municipality, as determined under sub. (5), the municipality shall correct the error
8 and notify the department of revenue of the correction on a form that the department
9 prescribes. If, after March 1 of the year of any distribution under sub. (5), the
10 department of administration or the department of revenue discovers an error in the
11 notice that the municipality furnished under sub. (1m) that resulted in an
12 overpayment of that year's distribution to the municipality, as determined under
13 sub. (5), the department of administration or the department of revenue shall notify
14 the municipality and the municipality shall correct the error. The municipality may
15 pay the amount of the overpayment to the department of revenue and, if the
16 municipality chooses to make such a payment, shall submit the payment with the
17 form prescribed under this paragraph. If the municipality does not pay the amount
18 of the overpayment, the department of administration may collect the amount of the
19 overpayment as a special charge to the municipality or may correct the overpayment
20 as provided under par. (a). Payments under this paragraph shall be without interest
21 and shall be deposited in the lottery fund.

22 **SECTION 4.** 79.10 (6m) (c) of the statutes is created to read:

23 79.10 (6m) (c) If, after March 1 of the year of any distribution under sub. (5),
24 a municipality discovers an error in the notice that the municipality furnished under
25 sub. (1m) that resulted in an underpayment of that year's distribution to the

1 municipality, as determined under sub. (5), the municipality shall correct the error
2 and notify the department of revenue on a form that the department prescribes. If,
3 after March 1 of the year of any distribution under sub. (5), the department of
4 administration or the department of revenue discovers an error in the notice that the
5 municipality furnished under sub. (1m) that resulted in an underpayment of that
6 year's distribution to the municipality, as determined under sub. (5), the department
7 of administration or the department of revenue shall notify the municipality and the
8 municipality shall correct the error. The department of revenue may either pay the
9 amount of the underpayment to the municipality, from the appropriation under s.
10 20.835 (3) (q), or correct the underpayment as provided under par. (a). Payments
11 under this paragraph shall be without interest.

12 (END)

D-NOTE:

This 14 redraft removes an
unnecessary 4-star NOTE after
SECTION 1.

JK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0923/4dn
JK:kmg:jf

February 3, 2001

This /4 redraft removes an unnecessary 4-star NOTE after SECTION 1.

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DOA:.....Ziegler - Corrections to municipal lottery credit payments

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

Under current law, a municipality must notify DOR, by March 1, of the total amount of the lottery and gaming property tax credits that the municipality has allocated to property owners in the municipality. DOA then distributes that amount to the municipality to compensate the municipality for the credits.

Under current law, DOA or DOR may correct any overpayment or underpayment of the lottery and gaming property tax credit amount that is made to a municipality, if DOA or DOR discovers the error by October 1 of the year of such payment. DOA or DOR corrects the error by increasing or decreasing, as appropriate, the subsequent year's payment of the property tax credit amount to the municipality. All such corrections are made without interest.

Under this bill, a municipality must also correct any overpayment of the lottery and gaming property tax credit amount that the municipality receives, if, after March 1 of the year of such payment, the municipality, DOA, or DOR discovers an error in the notice that the municipality sent to DOR that resulted in the overpayment. The municipality may pay the overpayment, without interest, to DOR. If the municipality does not pay the overpayment to DOR, DOA either collects the overpayment, without interest, from the municipality or decreases the subsequent year's payment to the municipality.

Under the bill, if, after March 1 of the year that a municipality receives a lottery and gaming property tax credit payment, the municipality, DOA, or DOR discovers an error in the notice that resulted in an underpayment to the municipality, the municipality shall correct the error. DOR either pays the underpayment, without interest or increases the subsequent year's payment to the municipality.

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 (3) (q) of the statutes is amended to read:

2 20.835 (3) (q) *Lottery and gaming credit.* From the lottery fund, a sum
3 sufficient to make the payments under s. 79.10 (5) and (6m) (c).

4 **SECTION 2.** 79.10 (6m) of the statutes is renumbered 79.10 (6m) (a) and
5 amended to read:

6 79.10 (6m) (a) If Except as provided in pars. (b) and (c), if the department of
7 administration or the department of revenue determines by October 1 of the year of
8 any distribution under subs. (4) and (5) that there was an overpayment or
9 underpayment made in that year's distribution by the department of administration
10 to municipalities, as determined under subs. (4) and (5), because of an error by the
11 department of administration, the department of revenue or any municipality, the
12 overpayment or underpayment shall be corrected as provided in this ~~subsection~~
13 paragraph. Any overpayment shall be corrected by reducing the subsequent year's
14 distribution, as determined under subs. (4) and (5), by an amount equal to the
15 amount of the overpayment. Any underpayment shall be corrected by increasing the
16 subsequent year's distribution, as determined under subs. (4) and (5), by an amount
17 equal to the amount of the underpayment. Corrections shall be made in the

1 distributions to all municipalities affected by the error. Corrections shall be without
2 interest.

3 **SECTION 3.** 79.10 (6m) (b) of the statutes is created to read:

4 79.10 (6m) (b) If, after March 1 of the year of any distribution under sub. (5),
5 a municipality discovers an error in the notice that the municipality furnished under
6 sub. (1m) that resulted in an overpayment of that year's distribution to the
7 municipality, as determined under sub. (5), the municipality shall correct the error
8 and notify the department of revenue of the correction on a form that the department
9 prescribes. If, after March 1 of the year of any distribution under sub. (5), the
10 department of administration or the department of revenue discovers an error in the
11 notice that the municipality furnished under sub. (1m) that resulted in an
12 overpayment of that year's distribution to the municipality, as determined under
13 sub. (5), the department of administration or the department of revenue shall notify
14 the municipality and the municipality shall correct the error. The municipality may
15 pay the amount of the overpayment to the department of revenue and, if the
16 municipality chooses to make such a payment, shall submit the payment with the
17 form prescribed under this paragraph. If the municipality does not pay the amount
18 of the overpayment, the department of administration may collect the amount of the
19 overpayment as a special charge to the municipality or may correct the overpayment
20 as provided under par. (a). Payments under this paragraph shall be without interest
21 and shall be deposited in the lottery fund.

22 **SECTION 4.** 79.10 (6m) (c) of the statutes is created to read:

23 79.10 (6m) (c) If, after March 1 of the year of any distribution under sub. (5),
24 a municipality discovers an error in the notice that the municipality furnished under
25 sub. (1m) that resulted in an underpayment of that year's distribution to the

1 municipality, as determined under sub. (5), the municipality shall correct the error
2 and notify the department of revenue on a form that the department prescribes. If,
3 after March 1 of the year of any distribution under sub. (5), the department of
4 administration or the department of revenue discovers an error in the notice that the
5 municipality furnished under sub. (1m) that resulted in an underpayment of that
6 year's distribution to the municipality, as determined under sub. (5), the department
7 of administration or the department of revenue shall notify the municipality and the
8 municipality shall correct the error. The department of revenue may either pay the
9 amount of the underpayment to the municipality, from the appropriation under s.
10 20.835 (3) (q), or correct the underpayment as provided under par. (a). Payments
11 under this paragraph shall be without interest.

12 (END)