



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

January 29, 2008

MEMORANDUM

To: Senator Taylor

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2007 SB 403** (LRB-3790/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

January 29, 2008

TO: Joseph T. Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on 2007 SB 403 Regarding the Property Tax Exemption for Low-Income Housing

Making the bill retroactively effective on January 1, 2006, will create administrative problems for both the Department of Revenue (DOR) and those local governments where low-income housing projects are located.

For DOR, the bill creates problems regarding property assessment procedures. DOR will need time to develop and distribute the annual statement required under proposed s. 70.11 (4a) (f) 1. It will also be necessary to update the property assessment manual, inform assessors of the law change, and train assessors on how to administer the law.

For local governments, should any currently taxable low-income housing projects be eligible for exemption under the bill, the project owner will be able to file for a refund of any taxes paid on the 2006 and 2007 assessment. The affected municipalities will then bill overlying taxation districts for their share of these refunds.

The above problems could be avoided if the bill took effect on January 1, 2009.

The bill creates a penalty of \$10 per day for late filings of the annual statement concerning the occupancy status of units in a low-income housing project. The bill does not provide a means of recovering the penalty if the owner of the low-income housing project refuses or fails to pay the penalty.

DOR would incur one-time costs related to programming for the property tax administration system. The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	Chapter 20	Amount	FTE
one-time	s. 20.566 (3) (a)	\$ 8,200	0.0

If you have questions regarding the non-cost aspects of this memorandum, please contact Daniel Huegel at 266-5705. If you have any questions regarding the administrative costs, please contact Julie Raes at 267-9892.

cc: Senator Lena Taylor