

Chapter Tax 18

ASSESSMENT OF AGRICULTURAL PROPERTY IN 1996 AND IN 1997

Tax 18.01 Purpose
Tax 18.02 Definitions

Tax 18.03 Assessment of agricultural property in 1996 and in 1997

Note: Chapter Tax 18 was created as an emergency rule effective January 29, 1986. Chapter Tax 18 was repealed and recreated by emergency rule effective December 6, 1995. Chapter Tax 18 as it existed on August 31, 1996 was repealed and a new chapter Tax 18 was created effective September 1, 1996.

Tax 18.01 Purpose. The purpose of this chapter is to establish definitions and provide criteria that will facilitate implementation of 1995 Wisconsin Act 27 with regard to the assessment of agricultural land in 1996 and in 1997.

History: Cr. Register, August, 1996, No. 488, eff. 9-1-96.

Tax 18.02 Definitions. In this chapter:

(1) "Land devoted primarily to agricultural use" means land classified agricultural in 1995 that is not in a use that is incompatible with agricultural use on the assessment date. Swamp or waste or productive forest land located in villages and cities is not devoted primarily to agricultural use, and agricultural buildings and improvements and the land necessary for their location and convenience are not devoted primarily to agricultural use.

Note: Under prior law, swamp or waste or productive forest land located in villages and cities was classified agricultural because villages and cities were not permitted to classify land swamp or waste or productive forest land. Since 1995 Wis. Act 27 requires villages and cities to use the swamp or waste and productive forest land classifications, all such land located in villages or cities is to be reclassified swamp or waste or productive forest, according to the Wisconsin Property Assessment Manual.

Example: Twenty acres of agricultural land were sold and recorded as a legal description in April 1995 and commercial construction began in October 1995. Although the land was in agricultural use in 1995, this legal description is not devoted primarily to agricultural use due to the construction on the property.

Example: Under a conditional use permit, an owner opens a 15-acre sand and gravel quarry on a 40-acre legal description in October 1996. Although the 15 acres were in agricultural use during 1996, extraction of sand and gravel is incompatible with agricultural use. Therefore, the 15 acres are not devoted primarily to agricultural use and are not classified agricultural in 1997.

(2) "Other" means agricultural buildings and improvements and the land necessary for their location and convenience.

Example: A legal description of 40 acres is located in a village and includes a house and other agricultural buildings and improvements on 2 acres of land, 18 acres of forest, and 20 acres in corn. Although all 40 acres were classified agricultural in 1995, only the 20 acres of cropland are devoted primarily to agricultural use and are classified agricultural in 1996 and 1997; the house, agricultural buildings and improvements and 2 acres are classified "Other", and 18 acres are classified productive forest.

(3) "Parcel of agricultural land" means land devoted primarily to agricultural use within a single legal description.

Note: The definition of "parcel of agricultural land" used here implements the intent of the legislature in only freezing the assessment of agricultural land. If a "parcel of agricultural land" were defined as the complete legal description of a tract which was predominantly agricultural, the assessment of non-agricultural land within the legal description would be frozen. Similarly, the assessment of agricultural land within a legal description which was not predominantly agricultural would not be frozen.

Example: A farmer sells 5 acres of a 40-acre legal description in February 1996 and the 5 acres are recorded as a separate legal description. The farmer rents back the 5 acres and continues working the entire 40 acres. The 5 acres are a parcel of agricultural land. Had residential construction begun on the 5-acre legal description by January 1, 1997, it would not be a parcel of agricultural land.

Example: A residence and a 1-acre vegetable garden are located on a 2-acre legal description that was classified residential in 1995. Although the owner produces vegetables and may sell some at a farmer's market, the 2-acres do not constitute a parcel of agricultural land.

History: Cr. Register, August, 1996, No. 488, eff. 9-1-96.

Tax 18.03 Assessment of agricultural property in 1996 and in 1997. (1) For assessments as of January 1, 1996 and January 1, 1997, the assessed value of each parcel of agricultural land is the assessed value of that parcel as of January 1, 1995.

(2) For assessments as of January 1, 1996 and January 1, 1997, property classified Other is assessed according to s. 70.32(1), Stats.

Example: Thirty-seven acres of a 40-acre legal description are devoted primarily to agricultural use and are assessed as provided in sub. (1). The remaining 3 acres are needed for the location and convenience of a residence, barn, farm buildings, and well. The 3 acres, residence, buildings and facilities are assessed according to s. 70.32(1), Stats., on January 1, 1996 since they are classified "Other".

History: Cr. Register, August, 1996, No. 488, eff. 9-1-96.