



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBs0034/1  
JK:cmh:jf

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 1999 ASSEMBLY BILL 186**

May 5, 1999 - Offered by COMMITTEE ON WAYS AND MEANS.

1     **AN ACT** *to renumber and amend* 70.995 (8) (b) and 70.995 (8) (c); *to amend*  
2           70.511 (2) (b), 70.995 (5), 70.995 (6), 70.995 (8) (d), 70.995 (8) (dm), 70.995 (12)  
3           (a), 70.995 (12) (b), 70.995 (12) (c), 74.35 (3) (c) and 74.37 (3) (c); and *to create*  
4           20.835 (2) (bm), 70.511 (2) (bm), 70.511 (2) (br), 70.995 (8) (b) 2., 70.995 (8) (c)  
5           2., 74.23 (1) (a) 5., 74.25 (1) (a) 4m., 74.30 (1) (dm), 74.35 (3) (cm) and 74.37 (3)  
6           (cm) of the statutes; **relating to:** instalment payments of refunds of taxes on  
7           manufacturing property, appeals of manufacturing property taxes, distribution  
8           of taxes on manufacturing property and the interest on refunded and additional  
9           taxes on manufacturing property, the deadline for classification of property as  
10          manufacturing, manufacturers' reports and making an appropriation.

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

11          **SECTION 1.** 20.835 (2) (bm) of the statutes is created to read:

1           20.835 (2) (bm) *Payments of interest on overassessments of manufacturing*  
2 *property. A sum sufficient to make the payments under s. 70.511 (2) (br).*

3           **SECTION 2.** 70.511 (2) (b) of the statutes is amended to read:

4           70.511 (2) (b) If the reviewing authority reduces the value of the property in  
5 question, or determines that manufacturing property is exempt, the taxpayer may  
6 file a claim for refund of taxes resulting from the reduction in value or determination  
7 that the property is exempt. If Except as provided in par. (bm), if a claim for refund  
8 is filed with the clerk of the municipality on or before the November 1 following the  
9 decision of the reviewing authority, the claim shall be payable to the taxpayer from  
10 the municipality no later than January 31 of the succeeding year. A Except as  
11 provided in par. (bm), a claim filed after November 1 shall be paid to the taxpayer by  
12 the municipality no later than the 2nd January 31 after the claim is filed. Interest  
13 Except for claims related to property assessed under s. 70.995, interest on the claim  
14 at the rate of 0.8% per month shall be paid to the taxpayer when the claim is paid.  
15 Interest on claims related to property assessed under s. 70.995 shall be paid when  
16 the claim is made at the average annual discount interest rate determined by the last  
17 auction of 6-month U.S. treasury bills before the appeal or objection is filed or 10%  
18 per year, whichever is less. If the taxpayer requests a postponement of proceedings  
19 before the reviewing authority, interest on the claim shall permanently stop accruing  
20 at the date of the request. If the hearing is postponed at the request of the taxpayer,  
21 the reviewing authority shall hold a hearing on the appeal within 30 days after the  
22 postponement is requested unless the taxpayer agrees to a longer delay. If the  
23 reviewing authority postpones the hearing without a request by the taxpayer,  
24 interest on the claim shall continue to accrue. No interest may be paid if the  
25 reviewing authority determines under s. 70.995 (8) (a) that the value of the property

1 was reduced because the taxpayer supplied false or incomplete information. If taxes  
2 are refunded, the municipality may proceed under s. 74.41.

3 **SECTION 3.** 70.511 (2) (bm) of the statutes is created to read:

4 70.511 (2) (bm) A municipality may pay a refund under par. (b) of the taxes on  
5 property that is assessed under s. 70.995 in 5 annual instalments, each of which  
6 except the last is equal to at least 20% of the sum of the refund and the interest on  
7 the refund that is due, beginning on the date under par. (b), if all of the following  
8 conditions exist:

9 1. The municipality's property tax levy for its general operations for the year  
10 for which the taxes to be refunded are due is less than \$100,000,000.

11 2. The refund is at least 0.0025 of the municipality's levy for its general  
12 operations for the year for which the taxes to be refunded are due.

13 3. The refund is more than \$10,000.

14 **SECTION 4.** 70.511 (2) (br) of the statutes is created to read:

15 70.511 (2) (br) From the appropriation under s. 20.835 (2) (bm), the department  
16 of administration shall pay to each municipality that pays a refund under par. (b) for  
17 property that is assessed under s. 70.995 or that pays a refund under par. (bm) an  
18 amount equal to the interest that is paid by the municipality in the previous  
19 biennium and that has accrued up to the date of the determination by the tax appeals  
20 commission of the municipality's obligation.

21 **SECTION 5.** 70.995 (5) of the statutes is amended to read:

22 70.995 (5) ~~Commencing January 1, 1974, and annually thereafter, the~~ The  
23 department of revenue shall assess all property of manufacturing establishments  
24 included under subs. (1) and (2) as of the close of January 1 of each year, if on or before  
25 March 1 of that year the department has classified the property as manufacturing

1 or the owner of the property has requested, in writing, that the department make  
2 such a classification and the department later does so. A change in ownership,  
3 location or name of the manufacturing establishment does not necessitate a new  
4 request. In assessing lands from which metalliferous minerals are being extracted  
5 and valued for purposes of the tax under s. 70.375, the value of the metalliferous  
6 mineral content of such lands shall be excluded.

7 **SECTION 6.** 70.995 (6) of the statutes is amended to read:

8 70.995 (6) Prior to February 15 of each year the department of revenue shall  
9 notify each municipal assessor of the manufacturing property within the taxation  
10 district that, as of that date, will be assessed by the department during the current  
11 assessment year.

12 **SECTION 7.** 70.995 (8) (b) of the statutes is renumbered 70.995 (8) (b) 1. and  
13 amended to read:

14 70.995 (8) (b) 1. The department of revenue shall annually notify each  
15 manufacturer assessed under this section and the municipality in which the  
16 manufacturing property is located of the full value of all real and personal property  
17 owned by the manufacturer. The notice shall be in writing and shall be sent by 1st  
18 class mail. In addition, the notice shall specify that objections to valuation, amount  
19 or taxability must be filed with the state board of assessors within 60 days of issuance  
20 of the notice of assessment, that objections to a change from assessment under this  
21 section to assessment under s. 70.32 (1) must be filed within 60 days after receipt of  
22 the notice, that the fee under par. (c) 1. or (d) must be paid and that the objection is  
23 not filed until the fee is paid. A statement shall be attached to the assessment roll  
24 indicating that the notices required by this section have been mailed and failure to  
25 receive the notice does not affect the validity of the assessments, the resulting tax

1 on real or personal property, the procedures of the tax appeals commission or of the  
2 state board of assessors or the enforcement of delinquent taxes by statutory means.

3 **SECTION 8.** 70.995 (8) (b) 2. of the statutes is created to read:

4 70.995 (8) (b) 2. If a municipality files an objection to the amount, valuation,  
5 taxability or change from assessment under this section and the person assessed  
6 does not file an objection, the person assessed may file an appeal within 15 days after  
7 the municipality's objection is filed.

8 **SECTION 9.** 70.995 (8) (c) of the statutes is renumbered 70.995 (8) (c) 1. and  
9 amended to read:

10 70.995 (8) (c) 1. All objections to the amount, valuation, taxability or change  
11 from assessment under this section to assessment under s. 70.32 (1) of property shall  
12 be first made in writing on a form prescribed by the department of revenue and that  
13 specifies that the objector shall set forth the reasons for the objection, the objector's  
14 estimate of the correct assessment and the basis under s. 70.32 (1) for the objector's  
15 estimate of the correct assessment. An objection shall be filed with the state board  
16 of assessors within the time prescribed in par. (b) 1. A \$45 fee shall be paid when the  
17 objection is filed unless a fee has been paid in respect to the same piece of property  
18 and that appeal has not been finally adjudicated. The objection is not filed until the  
19 fee is paid. Neither the state board of assessors nor the tax appeals commission may  
20 waive the requirement that objections be in writing. Persons who own land and  
21 improvements to that land may object to the aggregate value of that land and  
22 improvements to that land, but no person who owns land and improvements to that  
23 land may object only to the valuation of that land or only to the valuation of  
24 improvements to that land.

25 **SECTION 10.** 70.995 (8) (c) 2. of the statutes is created to read:

1           70.995 (8) (c) 2. The state board of assessors may grant a manufacturer who  
2 files an objection under subd. 1. a reasonable amount of additional time, as  
3 determined by the state board of assessors, to file supplemental information to  
4 support the manufacturer's objection, if the manufacturer shows good cause for  
5 granting such additional time. The state board of assessors shall notify the  
6 municipality in which the manufacturer's property is located of supplemental  
7 information filed by the manufacturer under this subdivision.

8           **SECTION 11.** 70.995 (8) (d) of the statutes is amended to read:

9           70.995 (8) (d) A municipality may file an objection with the state board of  
10 assessors to the amount, valuation or taxability under this section or to the change  
11 from assessment under this section to assessment under s. 70.32 (1) of a specific  
12 property having a situs in the municipality, whether or not the owner of the specific  
13 property in question has filed an objection. Objection shall be made on a form  
14 prescribed by the department and filed with the board within 60 days of the date of  
15 the issuance of the assessment in question, except that, if the person assessed files  
16 an objection and the municipality affected does not file an objection, the municipality  
17 affected may file an appeal within 15 days after the person's objection is filed. A \$45  
18 filing fee shall be paid when the objection is filed unless a fee has been paid in respect  
19 to the same piece of property and that appeal has not been finally adjudicated. The  
20 objection is not filed until the fee is paid. The board shall forthwith notify the person  
21 assessed of the objection filed by the municipality.

22           **SECTION 12.** 70.995 (8) (dm) of the statutes is amended to read:

23           70.995 (8) (dm) The department shall refund filing fees paid under par. (c) 1.  
24 or (d) if the appeal in respect to the fee is denied because of lack of jurisdiction.

25           **SECTION 13.** 70.995 (12) (a) of the statutes is amended to read:

1           70.995 (12) (a) The department of revenue shall prescribe a standard  
2 manufacturing property report form that shall be submitted annually for each real  
3 estate parcel and each personal property account on or before March 1 by all  
4 manufacturers whose property is assessed under this section. The report form shall  
5 contain all information deemed necessary by the department and shall include,  
6 without limitation, income and operating statements, fixed asset schedules and a  
7 report of new construction or demolition. Failure to submit the report shall result  
8 in denial of any right of redetermination by the state board of assessors or the tax  
9 appeals commission. If any property is omitted or understated in the assessment roll  
10 in any of the next 5 previous years, the assessor shall enter the value of the omitted  
11 or understated property once for each previous year of the omission or  
12 understatement. ~~The assessor shall designate each additional entry as omitted or~~  
13 ~~understated for the year [....] of omission or understatement.~~ The assessor shall affix  
14 a just valuation to each entry for a former year as it should have been assessed  
15 according to the assessor's best judgment. Taxes shall be apportioned and collected  
16 on the tax roll for each entry, on the basis of the net tax rate for the year of the  
17 omission, taking into account credits under s. 79.10, ~~and.~~ In the case of omitted  
18 property, interest shall be added at the rate of 0.0267% per day for the period of time  
19 between the date when the form is required to be submitted and the date when the  
20 assessor affixes the just valuation. In the case of underpayments determined after  
21 an objection under s. 70.995 (8) (d), interest shall be added at the average annual  
22 discount interest rate determined by the last auction of 6-month U.S. treasury bills  
23 before the objection, between the date when the tax was due and the date when it is  
24 paid.

25           **SECTION 14.** 70.995 (12) (b) of the statutes is amended to read:

1           70.995 (12) (b) The department of revenue shall allow an extension to April 1  
2 of the due date for filing the report forms required under par. (a) if a written  
3 application for an extension, stating the reason for the request, is filed with the  
4 department on or before March 1.

5           **SECTION 15.** 70.995 (12) (c) of the statutes is amended to read:

6           70.995 (12) (c) Unless the taxpayer shows that the failure is due to reasonable  
7 cause, if a taxpayer fails to file any form required under par. (a) for property that the  
8 department of revenue assessed during the previous year by the due date or by any  
9 extension of the due date that has been granted, the taxpayer shall pay to the  
10 department of revenue a penalty of ~~the greater of \$10 or 0.05% of the previous year's~~  
11 ~~full value assessment not to exceed \$1,000. If the form required under par. (a) for~~  
12 ~~property that the department of revenue assessed during the previous year is not~~  
13 ~~filed within 30 days after the due date or within 30 days after any extension, the~~  
14 ~~taxpayer shall pay to the department of revenue a 2nd penalty of the greater of \$10~~  
15 ~~or 0.05% of the previous year's full value assessment not to exceed \$1,000~~ \$25 if the  
16 form is filed 1 to 10 days late; \$50 or 0.05% of the previous year's assessment,  
17 whichever is greater, but not more than \$250, if the form is filed 11 to 30 days late;  
18 and \$100 or 0.1% of the previous year's assessment, whichever is greater, but not  
19 more than \$750, if the form is filed more than 30 days late. Penalties are due 30 days  
20 after they are assessed and are delinquent if not paid on or before that date. The  
21 department may refund all or part of any penalty it assesses under this paragraph  
22 if it finds reasonable grounds for late filing.

23           **SECTION 16.** 74.23 (1) (a) 5. of the statutes is created to read:

24           74.23 (1) (a) 5. Pay to each taxing jurisdiction within the district its  
25 proportionate share of the taxes and interest under s. 70.995 (12) (a).



1           **SECTION 17.** 74.25 (1) (a) 4m. of the statutes is created to read:

2           74.25 (1) (a) 4m. Pay to each taxing jurisdiction within the district its  
3 proportionate share of the taxes and interest under s. 70.995 (12) (a).

4           **SECTION 18.** 74.30 (1) (dm) of the statutes is created to read:

5           74.30 (1) (dm) Pay to each taxing jurisdiction within the district its  
6 proportionate share of the taxes and interest under s. 70.995 (12) (a).

7           **SECTION 19.** 74.35 (3) (c) of the statutes is amended to read:

8           74.35 (3) (c) If the governing body of the taxation district determines that an  
9 unlawful tax has been paid and that the claim for recovery of the unlawful tax has  
10 complied with all legal requirements, the governing body shall allow the claim. ~~The~~  
11 Except as provided in par. (cm), the taxation district treasurer shall pay the claim  
12 not later than 90 days after the claim is allowed.

13           **SECTION 20.** 74.35 (3) (cm) of the statutes is created to read:

14           74.35 (3) (cm) A municipality may pay a refund under par. (c) of the taxes on  
15 property that is assessed under s. 70.995 in 5 annual instalments, each of which  
16 except the last is equal to at least 20% of the sum of the refund and the interest on  
17 the refund, beginning in the year of the determination, if all of the following  
18 conditions exist:

19           1. The municipality's property tax levy for its general operations for the year  
20 for which the taxes to be refunded are due is less than \$100,000,000.

21           2. The refund is at least 0.0025 of the municipality's levy for its general  
22 operations for the year for which the taxes to be refunded are due.

23           3. The refund is more than \$10,000.

24           **SECTION 21.** 74.37 (3) (c) of the statutes is amended to read:

1           74.37 (3) (c) If the governing body of the taxation district or county that has a  
2 county assessor system determines that a tax has been paid which was based on an  
3 excessive assessment, and that the claim for an excessive assessment has complied  
4 with all legal requirements, the governing body shall allow the claim. The Except  
5 as provided in par. (cm), the taxation district or county treasurer shall pay the claim  
6 not later than 90 days after the claim is allowed.

7           **SECTION 22.** 74.37 (3) (cm) of the statutes is created to read:

8           74.37 (3) (cm) A municipality may pay a refund under par. (c) of the taxes on  
9 property that is assessed under s. 70.995 in 5 annual instalments, each of which  
10 except the last is equal to at least 20% of the sum of the refund and the interest on  
11 the refund, beginning in the year of the determination, if all of the following  
12 conditions exist:

13           1. The municipality's property tax levy for its general operations for the year  
14 for which the taxes to be refunded are due is less than \$100,000,000.

15           2. The refund is at least 0.0025 of the municipality's levy for its general  
16 operations for the year for which the taxes to be refunded are due.

17           3. The refund is more than \$10,000.

18           **SECTION 23. Initial applicability.**

19           (1) REFUNDS. The treatment of sections 70.511 (2) (b) and (bm), 74.35 (3) (c) and  
20 (cm) and 74.37 (3) (c) and (cm) of the statutes first applies to refunds of taxes that  
21 were collected based on the assessment as of January 1, 2000.

22           (2) OBJECTIONS. The treatment of section 70.995 (8) (c) of the statutes first  
23 applies to objections to the state board of assessors that are filed on the first day of  
24 the 3rd month beginning after the effective date of this subsection.

