



1999 SENATE BILL 459

March 8, 2000 – Introduced by Senators LAZICH, DECKER, DARLING, HUELSMAN and ROESSLER, cosponsored by Representatives BOCK, GUNDRUM, HAHN, MUSSER, PETROWSKI, PETTIS, BLACK and PORTER. Referred to Committee on Economic Development, Housing and Government Operations.

1 **AN ACT** *to renumber and amend* 71.07 (9) (b) 1.; *to amend* 71.07 (9) (a) 3., 71.07
2 (9) (b) 2. and 71.07 (9) (b) 4.; and *to create* 71.07 (9) (b) 1. a. and b. of the
3 statutes; **relating to:** restoring the school property tax rent credit and
4 authorizing claims under the school property tax rent credit for property taxes
5 paid in the year before the year in which they are due.

Analysis by the Legislative Reference Bureau

Under current law, the school property tax rent credit may not be claimed for taxable years beginning after December 31, 1998. This bill restores the credit for taxable years beginning after December 31, 1999. Under this bill, the credit may be claimed by an individual for property taxes paid on the claimant's principal dwelling, or rent constituting property taxes paid on the claimant's principal dwelling, during the taxable year for which the credit is claimed. For taxable years beginning after December 31, 1999, and for taxable years other than 1998, the credit, which may be claimed up to the amount of the claimant's tax liability, is 10% of the first \$2,000 of property taxes, or rent constituting property taxes, paid or 10% of the first \$1,000 of property taxes, or rent constituting property taxes, paid by a married person filing separately. For taxable year 1998, however, the credit, which may be claimed up to the amount of the claimant's tax liability, is 14% of the first \$2,500 of property taxes, or rent constituting property taxes, paid or 14% of the first \$1,250 of property taxes, or rent constituting property taxes, paid by a married person filing separately.

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Under this bill, the credit may also be claimed for property taxes paid during the year before the taxable year in which such taxes are due, if those payments in the previous year were not used in calculating a credit in a previous year.

For further information see the *state* 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.** 71.07 (9) (a) 3. of the statutes is amended to read:

2 71.07 **(9)** (a) 3. “Property taxes” means real and personal property taxes,
3 exclusive of special assessments, delinquent interest and charges for service, paid by
4 a claimant on the claimant’s principal dwelling during the taxable year for which
5 credit under this subsection is claimed and the real and personal property taxes,
6 exclusive of special assessments, delinquent interest and charges for service paid by
7 a claimant on the claimant’s principal dwelling during the year before the taxable
8 year in which such taxes are due if those payments in the previous year were not used
9 in calculating the credit under this subsection, less any property taxes paid which
10 are properly includable as a trade or business expense under section 162 of the
11 internal revenue code. If the principal dwelling on which the taxes were paid is
12 owned by 2 or more persons or entities as joint tenants or tenants in common or is
13 owned by spouses as marital property, “property taxes” is that part of property taxes
14 paid that reflects the ownership percentage of the claimant. If the principal dwelling
15 is sold during the taxable year the “property taxes” for the seller and buyer shall be
16 the amount of the tax prorated to each in the closing agreement pertaining to the sale
17 or, if not so provided for in the closing agreement, the tax shall be prorated between
18 the seller and buyer in proportion to months of their respective ownership. “Property

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1 taxes” includes monthly parking permit fees in respect to a principal dwelling
2 collected under s. 66.058 (3) (c).

3 **SECTION 2.** 71.07 (9) (b) 1. of the statutes, as affected by 1999 Wisconsin Act 10,
4 is renumbered 71.07 (9) (b) 1. (intro.) and amended to read:

5 71.07 (9) (b) 1. (intro.) Subject to the limitations under this subsection and
6 except as provided in subds. 2. and 4., a claimant may claim as a credit against, but
7 not to exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of property
8 taxes or rent constituting property taxes, or 10% of the first \$1,000 of property taxes
9 or rent constituting property taxes of a married person filing separately, except as
10 follows:

11 **SECTION 3.** 71.07 (9) (b) 1. a. and b. of the statutes are created to read:

12 71.07 (9) (b) 1. a. If a claimant’s property taxes is for 2 years, does not include
13 a taxable year that begins after December 31, 1997, and before January 1, 1999, and
14 is paid in one year, 10% of the first \$2,000 of property taxes for each taxable year or
15 10% of the first \$1,000 of property taxes for each year of a married person filing
16 separately.

17 b. If a claimant’s property taxes is for 2 years, includes a taxable year that
18 begins after December 31, 1997, and before January 1, 1999, and is paid in one year,
19 14% of the first \$2,500 of property taxes for the taxable year that begins after
20 December 31, 1997, and before January 1, 1999, and 10% of the first \$2,000 of
21 property taxes for the other taxable year or 14% of the first \$1,250 of property taxes
22 for the taxable year that begins after December 31, 1997, and before January 1, 1999,
23 and 10% of the first \$1,000 of property taxes for the other taxable year of a married
24 person filing separately.

25 **SECTION 4.** 71.07 (9) (b) 2. of the statutes is amended to read:

