

CHAPTER 183

AN ACT to create 70.11 (21), 71.04 (2b) and 71.05 (2b) of the statutes, relating to an accelerated amortization rate on investments in facilities designed to control pollution of the water resources and the air for income tax purposes, and exempting such facilities from property taxes for 5 years.

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

SECTION 1. 70.11 (21) of the statutes is created to read:

70.11 (21) TREATMENT PLANT AND POLLUTION ABATEMENT EQUIPMENT; LAGOON LANDS.

(a) All real and personal property purchased, constructed and installed as the result of a recommendation or order of the committee on water pollution, state board of health, a city council or a village board for the purpose of abating or eliminating pollution of surface waters or the air shall be exempt from local taxation for a period of 5 years provided, that if the operation of such pollution abatement property results in a net income before real and personal property taxes for any year during the 5-year exemption period, such property shall be placed on the next following May 1 assessment roll and assessed in the usual manner, except that the taxes levied thereon shall in no event exceed the net profit before real and personal property taxes for the preceding calendar year.

(b) A prerequisite to exemption under this subsection shall be the requirement of filing an annual calendar year operating statement on such pollution elimination or abatement property with the department of taxation on or before April 1 of each year.

(c) In computing operating costs, taxpayers that have elected amortization deduction under either s. 71.04 (2b) or 71.05 (2b) shall claim such accelerated amortization as a deduction in the annual operating statement required to be filed under par. (b). Once a property, covered by this subsection, has been fully amortized or depreciated and amortized no further deduction shall be allowed under this subsection in the computation of gain or loss from operating such pollution abatement properties. No loss from operation in a previous year shall be allowed under this subsection as a carry forward adjustment to the current year's operating statement required hereunder.

(d) The books and records of owners of property covered by this subsection shall be open to examination by representatives of the committee on water pollution, state board of health and department of taxation.

(e) On or before June 1 of each year the department of taxation shall notify the local assessor of each taxation district wherein such property is located as to the taxability or nontaxability of such property.

SECTION 2. 71.04 (2b) of the statutes is created to read:

71.04 (2b) In lieu of the allowance for depreciation for any taxable year or part thereof beginning after December 31, 1952, the owner may elect the accelerated amortization deduction for waste treatment plant and pollution abatement equipment purchased or constructed and installed pursuant to order or recommendation of the committee on water pollution, state board of health, city council or village board on any undepreciated portion of such treatment plant and equipment computed on an estimated life of 60 months.

(a) Written notice of election to take amortization of any treatment plant and pollution abatement equipment under this subsection must be filed with the department of taxation on or before the filing date of the return for the first taxable year for which such election under this subsection is made in respect to such plant and equipment. Such notice shall be given on such forms and in such manner as the department of taxation may by rule prescribe.

(b) The taxpayer shall file with the department of taxation at the time of his election under this subsection copies of recommendations, orders and approvals issued by the committee on water pollution, state board of health, city council or village board in respect to such treatment plant and pollution abatement equipment, and such other documents and data relating thereto as the department may by rule require.

(c) No deduction shall be allowed under this subsection on other than depreciable property, except that where wastes are disposed of through a lagoon process such lagooning costs and the cost of land containing such lagoons shall be subject to the accelerated amortization provided for under this subsection.

(d) In no event shall accelerated amortization, or depreciation and accelerated amortization deductions be permitted in excess of the cost of the asset subject to the provisions of this subsection.

SECTION 3. 71.05 (2b) of the statutes is created to read:

71.05 (2b) In lieu of the allowance for depreciation for any taxable year or part there-

of beginning after December 31, 1952, the owner may elect the accelerated amortization deduction for treatment plant and pollution abatement equipment purchased or constructed and installed pursuant to order or recommendation of the committee on water pollution, state board of health, city council or village board on any undepreciated portion of such treatment plant and equipment computed on an estimated life of 60 months.

(a) Written notice of election to take amortization of any treatment plant and pollution abatement equipment under this subsection must be filed with the department of taxation on or before the filing date of the return for the first taxable year for which such election under this subsection is made in respect to such plant and equipment. Such notice shall be given on such forms and in such manner as the department of taxation may by rule prescribe.

(b) The taxpayer shall file with the department of taxation at the time of his election under this subsection copies of recommendations, orders and approvals issued by the committee on water pollution, state board of health, city council or village board in respect to such treatment plant and pollution abatement equipment, and such other documents and data relating thereto as the department may by rule require.

(c) No deduction shall be allowed under this subsection on other than depreciable property, except that where wastes are disposed of through a lagoon process such lagooning costs and the cost of land containing such lagoons shall be subject to the accelerated amortization provided for under this subsection.

(d) In no event shall accelerated amortization, or depreciation and accelerated amortization deductions be permitted in excess of the cost of the asset subject to the provisions of this subsection.

Approved May 22, 1953.
