



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-5431/1  
JK:ahe&klm

## 2019 SENATE BILL 726

January 24, 2020 - Introduced by Senators MARKLEIN, KOOYENGA and CARPENTER, cosponsored by Representatives WITTKE, LOUDENBECK and MCGUIRE. Referred to Committee on Agriculture, Revenue and Financial Institutions.

1 **AN ACT** *to create* 70.11 (4) (b) 3. of the statutes; **relating to:** leasing tax exempt  
2 property of a church or religious organization to an educational association.

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### *Analysis by the Legislative Reference Bureau*

Current law provides a property tax exemption for property owned by educational associations and institutions, benevolent associations, churches, religious associations, and certain nonprofit entities licensed by the Department of Health Services. Leasing such property does not render the property taxable as long as the lessor uses the leasehold income for maintenance or construction debt retirement of the leased property. However, current law allows some leased property to retain its exemption regardless of how the leasehold income is used. For example, leasing a part of property that is owned and operated by a licensed nonprofit entity as residential housing does not render the property taxable, regardless of how the lessor uses the leasehold income.

Under this bill, leasing all or part of any property owned by a church or religious organization to an educational association or institution that is also exempt from taxation does not render the property taxable, regardless of how the lessor uses the leasehold income.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

