

CHAPTER 79

STATE REVENUE SHARING

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SUBCHAPTER I

MUNICIPAL AND COUNTY SHARED REVENUE

79.005 Definitions. In this subchapter:

(1) "Municipality" means any town, village or city in this state. If a municipality is located in more than one county, payments under this subchapter shall be computed using data for the municipality as a whole.

(2) "Population" means the number of persons residing in each municipality and county of the state as last determined by the department of administration under s. 16.96.

(3) "Production plant" also includes substations.

History: 1971 c. 125, 215; 1975 c. 39; 1981 c. 20 s. 1169; 1989 a. 336

79.006 New incorporations. In the case of municipalities formed after 1976, the information needed for the determinations under this chapter shall be calculated as follows: for those years for which the necessary data does not exist, the data for the new municipality and the municipality from which it was formed shall be combined and the sum shall be apportioned to each municipality in proportion to its respective full value in the first year of assessment of the new municipality.

History: 1981 c. 20.

79.01 Accounts established. (1) There is established an account in the general fund entitled the "Tax Rate Disparity Payment Account". There shall be appropriated to that account \$25,000,000 in 1991 and thereafter.

(2) There is established an account in the general fund entitled the "Municipal and County Shared Revenue Account", referred to in this chapter as the "shared revenue account". There shall be appropriated to the shared revenue account the sums specified in ss. 79.03 and 79.04.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 283, 336; 1975 c. 39; 1977 c. 29, 203; 1979 c. 221; 1989 a. 336

79.015 Statement of estimated payments. The department of revenue, on or before September 15 of each year, shall provide to each municipality and county a statement of estimated payments to be made in the next calendar year to the municipality or county under ss. 79.03, 79.04, 79.05 and 79.06.

History: 1981 c. 20, 61, 93; 1983 a. 27 ss. 1294, 2202 (45); 1985 a. 29; 1987 a. 27; 1989 a. 336

79.02 Shared revenue distributions. (1) The department of administration, upon certification by the department of revenue, shall distribute shared revenue payments to each municipality and county on the 4th Monday in July and the 3rd Monday in November.

(2) (a) In this subsection, "estimated payments" means the amounts in the statement provided to the county or municipality under s. 79.015.

(b) Payments in July shall equal 15% of the municipality's or county's estimated payments under ss. 79.03, 79.04 and 79.06 and 100% of the municipality's estimated payments under s. 79.05.

(3) Payments to each municipality and county in November shall equal that municipality's or county's entitlement to shared revenues under ss. 79.03, 79.04, 79.05 and 79.06 for the current year, minus the amount distributed to the municipality or county in July.

History: 1983 a. 27; 1985 a. 29 ss. 1505p, 1505t, 3202 (46); 1985 a. 120; 1987 a. 27; 1989 a. 336; 1991 a. 307

79.03 Calculating per capita and aidable revenues entitlements. (1) Each municipality and county is entitled to shared revenue, consisting of an amount determined on the basis of population under sub. (2), plus an amount determined under sub. (3).

(2) (a) Every municipality's portion of the amount distributable under sub. (1) based on population shall equal the final distribution per capita factor times its population.

(b) For purposes of par. (a), "final distribution per capita factor" means the product of the 1982 population of this state times \$30 divided by the state's current year's population.

(3) (a) The amount in the shared revenue account, less the payments under sub. (2) and s. 79.04, shall be allocated to each municipality and county in proportion to its entitlement. In this paragraph, "entitlement" means the product of aidable revenues and tax base weight.

(b) In this subsection:

1. "Aidable revenues" means:

a. For a municipality, the average local purpose revenues.

b. For a county, 85% of the average local purpose revenue.

2. "Average local purpose revenues" means the sum of the 3 prior years local purpose revenues divided by 3.

3. "Full valuation" means the full value of all taxable property for the preceding year as equalized for state tax purposes, including the estimated value, as defined in s. 70.114 (1) (b), of lands for which payments are made under s. 70.114, except that for municipalities the value of real estate assessed under s. 70.995 is excluded. Value increments under s. 66.46 are included for municipalities but excluded for counties. If property that had been assessed under s. 70.995 and that has a value exceeding 10% of a municipality's value is assessed under s. 70.10, 30% of that property's full value is included in "full valuation" for purposes of the shared revenue payments in the year after the assessment under s. 70.10, 65% of that property's full value is included in "full valuation" for purposes of the shared revenue payments in

the year 2 years after the assessment under s. 70.10 and 100% of that property's full value is included in "full valuation" for purposes of subsequent shared revenue payments.

4. "Local purpose revenues" means the sum of local general purpose taxes, regulation revenues, revenues for services to private parties by a county's or municipality's general operations or enterprises, revenue for sanitation services to private parties, special assessment revenues, tax base equalization aids and, for municipalities only, a proxy for private sewer service costs, a proxy for private solid waste and recycling service costs and a proxy for retail charges for fire protection purposes. In this subdivision:

a. "Local general purpose taxes" means the portion of tax increments collected for payment to a municipality under s. 66.46 which is attributable to that municipality's own levy, general property taxes, excluding taxes for a county handicapped children's education board, collected to finance the general purpose government unit, property taxes collected for sewage and sanitary districts, mobile home fees, the proceeds of county sales and use taxes and municipal and county vehicle registration fees under s. 341.35 (1).

b. "Proxy for private sewer service costs" means the greater of zero or the amount computed by multiplying \$25 times the municipality's population in the 2nd year preceding the distribution and then subtracting from that product the greater of 1) the sum of municipal general operation and capital project sewer service expenditures including storm sewer expenditures, through general operations, special assessment funds or enterprises, the municipality's share, based on its proportion of the full value of taxable property in the county, of county taxes levied for a sanitary or sewage district if the municipality is served by the sewer services financed by the county levies, tax levies of sewage and sanitation districts; sewer service charges directly paid to a neighboring municipality or fiscally independent sewer utility, or 2) the sum of sewer service charges, municipal general operation and capital project storm sewer expenditures through general operations, special assessment funds or enterprises, the municipality's share, based on its proportion of the full value of taxable property in the county, of county taxes levied for a sanitary or sewage district if the municipality is served by the sewer services financed by the county levies, tax levies of sewage and sanitation districts.

bg. "Proxy for private solid waste and recycling service costs" means \$25 multiplied by the population of any municipality that does not provide solid waste and recycling services. In this subd. 4. bg., notwithstanding s. 79.005 (2), "population" means the number of persons residing in the municipality during the 2nd year preceding the distribution of payments, as determined under s. 16.96.

bm. "Proxy for retail charges for fire protection purposes", for any year used to calculate average local purpose revenues, equals the number of months in that year for which a municipality did not pay retail charges associated with water for public fire protection purposes to a public utility under s. 196.03 (3) (b), multiplied by one-twelfth of the total retail charges associated with water for public fire protection purposes, but not included in general service charges, that the municipality paid to a public utility during the most recent 12-month period in which all retail charges associated with public fire protection purposes were paid by the municipality.

c. "Regulation revenues" means revenues from construction and building permits and zoning fees.

d. "Revenue for sanitation services to private parties" means revenues collected from private parties by a county's or municipality's general operations or enterprises and by

sewerage, sanitation or inland lake rehabilitation districts as refuse collection fees, sewerage service fees and landfill fees.

e. "Revenues for services to private parties by a county's or municipality's general operations or enterprises" means revenues collected from private parties for the following services: general government services consisting of license publication fees, sale of publications, clerk's fees and treasurer's fees; public safety services, consisting of police or sheriff's department fees, fire department fees and ambulance fees; inspection services, consisting of building, electrical, heat, plumbing, elevator and weights and measures; sidewalk replacement or construction fees, storm sewer construction fees, street lighting fees; parking ramps, meters and lot fees, except that fees collected from a parking ramp or lot funded under s. 23.09 (25) (e), 1987 stats., are excluded until the county or municipality has foregone total payments under this section and s. 79.06 in an amount equal to the funds received under s. 23.09 (25) (e), 1987 stats., for the parking ramp or lot; library fines or fees; and museum and zoo users or admission fees.

f. "Special assessment revenues" means charges assessed against benefited properties for capital improvements by a municipality or county placed on the current tax roll for collection or collected during the year in advance of being placed on the tax roll.

g. "Tax base equalization aids" means payments received under par. (a) and s. 70.996 (1m) (c), 1977 stats. and 1979 stats., s. 79.03 (3), 1977 stats. and 1979 stats., and s. 79.16 (3), 1977 stats. and 1979 stats. For the calculation of 1982 local purpose revenues, "tax base equalization aids" means payments that would have been received under par. (a) if \$471,395,500 had been distributed under par. (a) plus payments received under s. 70.996 (1m) (c), 1977 stats. and 1979 stats., s. 79.03 (3), 1977 stats. and 1979 stats., and s. 79.16 (3), 1977 stats. and 1979 stats. For the calculation of local purpose revenues for 1983 and thereafter, "tax base equalization aids" means entitlements received under par. (a).

h. Taxes and revenues of sewerage, sanitation and inland lake rehabilitation districts that are local purpose revenues shall be allocated to municipalities in proportion to the amount of revenue that is derived from within the municipality.

5. "Standardized valuation" means the product of the standardized valuation per person times the population of a municipality or a county in the preceding year.

6. "Standardized valuation per person" is that number that when used in the computation under par. (a) most nearly approximates the sum of entitlements for all municipalities and all counties to the funds distributable under par. (a).

7. "Sum of local purpose revenues" means the sum of local purpose revenues for the 3 fiscal years ending 2 years prior to the year of distribution. For the purpose of this subdivision, local purpose revenues for any fiscal year before 1988 shall be defined according to subd. 4, 1985 stats.

8. "Tax base weight" means one minus the decimal obtained by dividing the full valuation by the standardized valuation, except that "tax base weight" shall be a decimal of at least 0.0.

(3c) (a) *Definition.* In this subsection, "full valuation" has the meaning given in sub. (3) (b) 3.

(b) *Eligibility.* A municipality is eligible for a payment under this subsection if all of the following conditions are met:

1. The municipality's population is 5,000 or less in the year in which the statement under s. 79.015 is provided.

2. For the year before the year in which the statement under s. 79.015 is provided, the municipality levies property

taxes for municipal purposes at a rate of at least one mill per dollar of full value under s. 70.57.

3. a. Except as provided in subd. 3. b., the full valuation of the property in the municipality does not exceed \$40,000,000.

b. The full valuation of the property in the municipality may exceed \$40,000,000 if the land area of the municipality exceeds 54 square miles.

(bm) *Full value limit.* If the full valuation of the property in an eligible municipality exceeds \$40,000,000 and the land area of the eligible municipality exceeds 54 square miles, full valuation of the property in the eligible municipality shall be considered to be \$40,000,000 under pars. (c) 1, (d) 1 and (e) 1.

(c) *Payment.* Subject to the minimum payment under par. (d) and the maximum payment under par. (e), each eligible municipality is entitled to shared revenue from the appropriation under s. 20.835 (1) (b), in addition to its shared revenue entitlements under sub. (1), calculated as follows:

1. Divide the full valuation of the property in the municipality by \$40,000,000.

2. Multiply the result under subd. 1 by \$55.

3. Subtract the amount under subd. 2 from \$55.

4. Multiply the municipality's population by the amount under subd. 3 or by \$10, whichever is greater.

(d) *Minimum payment.* The minimum payment that an eligible municipality may receive under this subsection is the greater of zero or an amount calculated as follows:

1. Divide the full valuation of the property in the municipality by \$1,000,000.

2. Multiply the result under subd. 1 by \$720.

3. Subtract the amount under subd. 2 from \$18,000.

(e) *Maximum payment.* The maximum payment that an eligible municipality may receive under this subsection is the greater of \$10,000 or an amount calculated as follows:

1. Divide the full valuation of the property in the municipality by \$1,000,000.

2. Multiply the result under subd. 1 by \$1,750.

3. Subtract the amount under subd. 2 from \$45,000.

(f) *Distribution amount.* If the total amounts calculated under par. (c) to (e) exceed the total amount to be distributed under this subsection, the amount paid to each eligible municipality shall be paid on a prorated basis. In 1993 and thereafter, the total amount to be distributed under this subsection from s. 20.835 (1) (b) is \$0.

(4) In 1991, the total amount to be distributed under ss. 79.03, 79.04 and 79.06 from s. 20.835 (1) (d) is \$869,000,000. In 1992, the total amount to be distributed under ss. 79.03, 79.04 and 79.06 from s. 20.835 (1) (d) is \$885,961,300. In 1993 and subsequent years, the total amount to be distributed under ss. 79.03, 79.04 and 79.06 from s. 20.835 (1) (d) is \$903,680,500.

History: 1971 c. 125, 215; 1973 c. 90; 1975 c. 39; 1977 c. 29, 203, 418; 1979 c. 1; 1979 c. 34 ss 903s to 905m, 2102 (46) (d); 1979 c. 221; 1981 c. 20, 93, 314, 317; 1983 a. 27, 189; 1985 a. 29, 120; 1987 a. 27, 399; 1989 a. 31, 56, 336; 1991 a. 39, 269.

See note to 16.50, citing *Milwaukee v. Lindner*, 98 W (2d) 624, 297 NW (2d) 828 (1980).

79.04 Public utility distribution. (1) Annually the department of administration, upon certification by the department of revenue, shall distribute to a municipality having within its boundaries a production plant or a general structure, including production plants and general structures under construction, used by a light, heat or power company assessed under s. 76.28 (2) except those described in s. 66.069 (2) or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively, the amount determined as follows, except that no distribution shall be made for a production plant if the municipality received a distribution under sub. (3), pertaining to the same production plant:

(a) An amount from the shared revenue account determined by multiplying by 3 mills in the case of a town, and 6 mills in the case of a city or village, the first \$125,000,000 of the amount shown in the account, plus leased property, of each public utility on December 31 of the preceding year for either "production plant, exclusive of land" and "general structures", or "work in progress" for production plants and general structures under construction, in the case of light, heat and power companies or electric cooperatives, for all property within a municipality in accordance with the system of accounts established by the public service commission or rural electrification administration, less depreciation thereon as determined by the department of revenue and less the value of treatment plant and pollution abatement equipment, as defined under s. 70.11 (21) (a), as determined by the department of revenue. The total of amounts, as depreciated, from the accounts of all public utilities for the same production plant is also limited to not more than \$125,000,000. The amount distributable to a municipality in any year shall not exceed \$300 times the population of the municipality.

(b) 1. Beginning with the distribution under this subsection in 1991, the amount determined under par. (a) to value property used by a light, heat or power company in a municipality may not be less than the amount determined to value the property for the distribution to the municipality under this subsection in 1990, subject to subds. 2 and 3.

2. When a light, heat or power company no longer uses property described under par. (a) as production plant or general structure in a municipality, the amount established under subd. 1 shall be reduced by the proportion that the property that is no longer used bears to the total value of all property described in par. (a) in the municipality. The proportion shall be determined according to the proportional value of the property when the light, heat or power company stops using the property.

3. The amount of a distribution under this paragraph, as affected by subd. 1, may not exceed the per capita amount established under par. (a).

(c) 1. The payment for any municipality in which a production plant is located, which the public service commission certifies to the department of revenue will produce a nominal rated capacity of 200 megawatts or more, shall be no less than \$75,000 annually, except that the amount distributable to a municipality in any year shall not exceed the per capita limit specified in par. (a). Payments under this paragraph may be extended to decommissioned production plants as provided in subd. 3.

2. If a production plant is located in more than one municipality, the total payment under subd. 1 shall be apportioned according to the amounts shown on the preceding December 31 for the production plant in the account described in par. (a) for "production plant exclusive of land" within each municipality. The payment to each municipality under this subdivision shall be no less than \$15,000 annually.

3. If a production plant with a nominal rated capacity of 200 megawatts or more is decommissioned or becomes non-utility property, the \$75,000 minimum guaranteed payment under subd. 1 shall continue but diminish by \$7,500 annually, except that the minimum guaranteed payment under this subdivision shall cease in the year following the first year in which the property becomes taxable by the taxation district. In this subdivision, "nonutility property" has the meaning set forth in the uniform system of accounts established by the public service commission.

(2) (a) Annually, the department of administration, upon certification by the department of revenue shall distribute from the shared revenue account to any county having within

its boundaries a production plant or a general structure, including production plants and general structures under construction, used by a light, heat or power company assessed under s. 76.28 (2) except those described in s. 66.069 (2) or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively, an amount determined by multiplying by 6 mills the first \$100,000,000 of the amount shown in the account, plus leased property, of each public utility on December 31 of the preceding year for either "production plant, exclusive of land" and "general structures", or "work in progress" for production plants and general structures under construction, in the case of light, heat and power companies or electric cooperatives, for all property within a town in accordance with the system of accounts established by the public service commission or rural electrification administration, less depreciation thereon as determined by the department of revenue and less the value of treatment plant and pollution abatement equipment, as defined under s. 70.11 (21) (a), as determined by the department of revenue and by multiplying by 3 mills the first \$100,000,000 of the amount as defined in this subsection for all property within a city or village. Amounts from the accounts, plus leased property, for production plants for which sub. (3) distributions pertain, shall be excluded in computing the distribution under this subsection. The total of amounts, as depreciated, from the accounts of all public utilities for the same production plant is also limited to not more than \$100,000,000. The amount distributable to a county in any year shall not exceed \$100 times the population of the county.

(am) 1. Beginning with the distribution under this subsection in 1991, the amount determined under par. (a) to value property used by a light, heat or power company in a county may not be less than the amount determined to value the property for the distribution to the county under this subsection in 1990, subject to subds. 2 and 3.

2. When a light, heat or power company no longer uses property described under par. (a) as production plant or general structure in a county, the amount established under subd. 1 shall be reduced by the proportion that the property that is no longer used bears to the total value of all property described in par. (a) in the county. The proportion shall be determined according to the proportional value of the property when the light, heat or power company stops using the property.

3. The amount of a distribution under this paragraph, as affected by subd. 1, may not exceed the per capita amount established under par. (a).

(b) The payment under par. (a) for any county in which a production plant is located, which the public service commission certifies to the department of revenue will produce a nominal rated capacity of 200 megawatts or more, shall be not less than \$75,000 annually, except that the amount distributable to a county in any year shall not exceed the per capita limit specified in par. (a).

(3) During each of the first 4 years after commencement of construction of a production plant described in sub. (1), which the public service commission certifies to the department of revenue will produce a nominal rated capacity of 250 megawatts or more, the counties in which the plant is located shall receive from the shared revenue account a payment of \$100,000 and the municipalities in which the plant is located shall receive from the shared revenue account a payment of \$100,000 and for purposes of these payments the limitations of \$100 multiplied by the population of the county and \$300 multiplied by the population of the municipality shall not apply. When a production plant is located in more than one county or municipality, the payment shall be proportioned

according to the amounts shown on the preceding December 31 for the production plant in the account described in sub. (1) for "production plant exclusive of land" within each county or municipality, except that each county and municipality shall receive a minimum payment of \$20,000 and the remainder of the \$100,000 payment shall be proportioned according to the remaining utility plant value in other counties or municipalities.

History: 1971 c. 125, 215; 1973 c. 90 ss. 387, 391g; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 29, 418; 1979 c. 34; 1983 a. 27; 1985 a. 29, 39; 1987 a. 27; 1989 a. 31.

79.05 Tax rate disparity payment. (1) In this section:

(a) "Full value" means the value determined under s. 70.57 including the value of tax increments under s. 66.46.

(b) "Municipal budget" means the municipality's general fund.

(c) "Property tax levy rate" means the amount determined as follows:

1. Subtract the tax increment under s. 66.46 from the total property tax levy.

2. Subtract the tax incremental value under s. 66.46 from the full value.

3. Divide the amount under subd. 1 by the amount under subd. 2.

(2) A municipality is eligible for a payment under sub. (3) if it fulfills all of the following requirements:

(a) Its property tax levy rate established during the year before the statement under s. 79.015 is greater than the average for all municipalities.

(b) The amount obtained by dividing the full value of its property for the year before the statement under s. 79.015 by its population for the year before the statement under s. 79.015 is less than 120% of the average for all municipalities; or the amount obtained by dividing the full value of its property, excluding the value of real estate assessed under s. 70.995, for the year before the statement under s. 79.015 by its population for the year before the statement under s. 79.015 is less than the standardized valuation per person as determined under s. 79.03 (3) (b) 6 for the year of the statement under s. 79.015.

(c) Its municipal budget, exclusive of principal and interest on long-term debt, for the year of the statement under s. 79.015 increased over its municipal budget, exclusive of principal and interest on long-term debt, for the year before that year by less than the average annual percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor, for the 12 months ending on September 30 of the year before the statement under s. 79.015 plus the following percentages:

1. For payments in 1991 and 1992, 3%.

2. For payments in 1994 and thereafter, 0%.

(2m) Annually, on November 1, the department of revenue shall certify the appropriate percentage change in the consumer price index that is to be used in the requirement under sub. (2) (c) to the joint committee on finance.

(3) Each municipality that qualifies under sub. (2) shall receive a payment calculated as follows:

(a) Subtract the statewide average property tax levy rate from the municipality's property tax levy rate.

(b) Multiply the amount under par. (a) by the municipality's full value.

(c) Divide the amount under par. (b) by the total of the amounts under par. (b) for all municipalities that qualify.

(d) Multiply the amount under par. (c) by the amount for the year under s. 79.01 (1).

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(5) No municipality may, for the purpose of qualifying for a payment under this section, establish a fund, other than a general fund, that does not conform to generally accepted accounting principles promulgated by the governmental accounting standards board or its successor bodies.

History: 1989 a 336; 1991 a 39, 61.

79.06 Minimum and maximum payments. (1) **MINIMUM PAYMENTS.** (b) If the payments to any municipality or county under s. 79.03, excluding payments under s. 79.03 (3c), in 1986 or any year thereafter are less than 95% of the combined payments to the municipality or county under this section and s. 79.03, excluding payments under s. 79.03 (3c), for the previous year, the municipality or county has an aids deficiency. The amount of the aids deficiency is the amount by which 95% of the combined payments to the municipality or county under this section and s. 79.03, excluding payments under s. 79.03 (3c), in the previous year exceeds the payments to the municipality or county under s. 79.03, excluding payments under s. 79.03 (3c), in the current year.

(c) In 1982 and thereafter, a municipality or county that has an aids deficiency shall receive a payment from the amounts withheld under sub. (2) equal to its proportion of all the aids deficiencies of municipalities and counties for that year.

(2) **MAXIMUM PAYMENTS.** (b) If the payments to a municipality or county in 1985 or any year thereafter exceed its combined payments under this section and s. 79.03, excluding payments under s. 79.03 (3c), in the previous year by more than the maximum allowable increase, the excess shall be withheld to fund minimum payments in that year under sub. (1) (c).

(c) In this subsection, "maximum allowable increase" in any year means a percentage such that the sum for all municipalities and counties in that year of the excess of payments under ss. 79.02 and 79.03, excluding payments under s. 79.03 (3c), over the payments as limited by the maximum allowable increase is equal to the sum of the aids deficiencies under sub. (1) in that year.

History: 1971 c. 125, 215; 1973 c. 90; 1975 c. 39; 1977 c. 29; 1979 c. 34, 221; 1981 c. 20, 93; 1983 a. 27; 1985 a. 29; 1991 a. 39.

79.08 Corrections. If the department of administration or the department of revenue determines by August 15 of the year following any distribution under this subchapter that there was an overpayment or underpayment made in any certification by the department of revenue or resulting from populations changed as a result of a final court determination or a census determination under s. 16.96 (2) (dm) or (e) or in the distribution by the department of administration, the overpayment or underpayment shall be corrected as provided in this section. No corrections to the elements of any distribution may be made after August 15 of the year following the distribution. Any overpayment shall be corrected by reducing the subsequent year's distribution under this subchapter. Any underpayment shall be corrected by increasing the subsequent year's distribution under this subchapter. Corrections shall be made in the distributions to all municipalities and counties affected by the error. Corrections shall be without interest.

History: 1973 c. 158, 333; 1977 c. 29; 1979 c. 34; 1981 c. 20; 1983 a. 27; 1985 a. 29; 1987 a. 27; 1989 a. 31, 336; 1991 a. 39.

79.09 Administration. Counties and municipalities shall submit the information required under this subchapter by the department of revenue on forms prescribed by the department. Annually, each county and municipality may contract with a certified public accountant licensed under ch. 442 to

compile and submit to the department the information required.

History: 1975 c. 39; 1985 a. 29.

SUBCHAPTER II**PROPERTY TAX CREDITS****79.10 Wisconsin state property tax relief. (1) DEFINITIONS.**

In this section:

(b) "Average school tax levies" means the average of the school tax levies for the 3 years preceding the assessment year to which the tax credit is to apply.

(d) "Municipality" means any town, village or city in this state. Where a municipality is located in more than one county the portion thereof in each county shall be considered a separate municipality.

(e) "School tax levies" means property taxes levied in a municipality for elementary and secondary school districts and for handicapped children's education programs under s. 115.86, net of municipal surplus funds applied against those levies.

(f) "Principal dwelling" means any dwelling that is used by the owner of the dwelling as a primary residence.

(g) "School tax rate" means the taxes levied by school districts, as defined in s. 115.01 (3), as reflected on each property tax bill divided by the estimated fair market value of the property as reflected on each tax bill.

(1m) **NOTICE BY MUNICIPALITIES.** Each municipality shall furnish the department of revenue with the total amount of credits claimed by taxpayers under sub. (9) (bm).

(2) **NOTICE TO MUNICIPALITIES.** On or before December 1 of the year preceding the distribution under sub. (7m) (a), the department of revenue shall notify the clerk of each town, village and city of the estimated fair market value, as determined under sub. (11), to be used to calculate the lottery credit under sub. (5) and of the amount to be distributed to it under sub. (7m) (a) on the following 4th Monday in July. The anticipated receipt of such distribution shall not be taken into consideration in determining the tax rate of the municipality but shall be applied as tax credits.

(4) **SCHOOL LEVY TAX CREDIT.** The amount appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in proportion to their share of the sum of average school tax levies for all municipalities, as adjusted under sub. (7).

NOTE: Sub. (7) was repealed by 1991 Wis. Act 39.

(5) **LOTTERY CREDIT.** (a) Each municipality shall receive, from the appropriation under s. 20.835 (3) (q), an amount determined by multiplying the school tax rate by the estimated fair market value, not exceeding the value determined under sub. (11), of every parcel of taxable property on which a principal dwelling is located in the municipality and for which a claim for the credit under sub. (9) (bm) is made by the owner of the principal dwelling.

(6m) **CORRECTIONS OF STATE PROPERTY TAX CREDIT PAYMENTS.** If the department of administration or the department of revenue determines by October 1 of the year of any distribution under subs. (4) and (5) that there was an overpayment or underpayment made in that year's distribution by the department of administration to municipalities, as determined under subs. (4) and (5), because of an error by the department of administration, the department of revenue or any municipality, the overpayment or underpayment shall be corrected as provided in this subsection. Any overpayment shall be corrected by reducing the subsequent year's distribution, as determined under subs. (4) and (5), by an amount equal to the amount of the overpayment. Any underpayment

shall be corrected by increasing the subsequent year's distribution, as determined under subs. (4) and (5), by an amount equal to the amount of the underpayment. Corrections shall be made in the distributions to all municipalities affected by the error. Corrections shall be without interest.

(7m) DISTRIBUTION TO MUNICIPALITIES. (a) *School tax credit.* 1. The amount determined under sub. (4) shall be distributed by the department of administration on the 4th Monday in July.

2. The town, village or city treasurer shall settle for the amounts distributed under this paragraph on the 4th Monday in July with the appropriate county treasurer not later than August 15. Failure to settle timely under this subdivision subjects the town, village or city treasurer to the penalties under s. 74.31. On or before August 20, the county treasurer shall settle with each taxing jurisdiction, including towns, villages and cities except 1st class cities, in the county.

(b) *Lottery credit.* 1. a. The amount determined under sub. (5) with respect to claims filed for which the town, village or city has furnished notice under sub. (1m) by March 1 shall be distributed from the appropriation under s. 20.835 (3) (q) by the department of administration on the 4th Monday in March and on the first Friday in September. The distribution in March shall equal 88% of the municipality's payment under sub. (5), and the distribution in September shall equal the municipality's total payment under sub. (5) minus the amount distributed in March. The September distribution shall be made to the county in which the municipality is located.

NOTE: Subdivision 1. a. is amended effective 11-1-93 by 1991 Wis. Act 323 to read:

1. a. The amount determined under sub. (5) with respect to claims filed for which the town, village or city has furnished notice under sub. (1m) by March 1 shall be distributed from the appropriation under s. 20.835 (3) (q) by the department of administration on the 4th Monday in March.

2. The town, village or city treasurer shall settle for the amounts distributed on the 4th Monday in March under this paragraph with each taxing jurisdiction within the taxation district or provide the amounts distributed to the appropriate county treasurer for settlement not later than April 15. Failure to settle timely under this subdivision subjects the town, village or city treasurer to the penalties under s. 74.31. On or before August 20, the county treasurer shall settle with each taxing jurisdiction, including towns, villages and cities except 1st class cities, in the county.

(7r) LOTTERY CREDIT PRECERTIFICATION REIMBURSEMENT. (a) A county or city that performs the precertification procedure under sub. (10) (a) shall receive, from the appropriation under s. 20.835 (3) (r), 50 cents for each lottery credit precertified for a principal dwelling located in that county or city.

(b) The amounts determined under par. (a) shall be distributed by the department of administration on the first Friday in September, based on applications on file with the county or city on August 1. A county or city shall inform the department of revenue of the number of applications on file before August 16.

(c) If the department of revenue determines before August 1 of the year following a distribution under par. (b) that a county or city received an overpayment or underpayment under par. (b) because of a late application or an erroneous payment, the department of revenue shall correct the overpayment or underpayment by reducing or increasing the subsequent year's distribution under par. (b). Corrections shall be made without interest.

(8) DELAYED PAYMENTS. If a municipality receives a payment under this section that, under s. 16.53, is made after the date specified in this section, that municipality shall as soon

as possible distribute to each taxing district for which the municipality collects taxes that district's share of the payment and of the interest in respect to that payment.

(9) CREDIT AGAINST TAX LIABILITY. (b) *Property tax relief credit.* Except as provided in ss. 79.175 and 79.18, every property taxpayer of the municipality having assessed property shall receive a tax credit in an amount determined by applying the percentage of the amount of the value of property assessed to the taxpayer to the amount of the distribution to be made to the municipality under sub. (7m) (a), as stated in the December 1 notification from the department of revenue, except that no taxpayer may receive a credit larger than the total amount of property taxes to be paid on each parcel for which tax is levied for that year by that taxpayer.

(bm) *Lottery credit.* 1. Except as provided in ss. 79.175 and 79.18, every owner of a principal dwelling on a parcel of taxable property is entitled to receive a lottery credit in an amount determined by multiplying the estimated fair market value of the parcel of property, not exceeding the value determined under sub. (11), by the school tax rate. The owner shall receive the credit if he or she claims the credit in the manner provided under sub. (10) (a).

(c) *Credits shown on tax bill.* The amount of the state property tax credits of particular property taxpayers, as determined under pars. (b) and (bm), shall be separately set forth on tax bills in the manner provided in s. 74.09. The lottery credit under par. (bm) shall reduce the property taxes otherwise payable for those taxpayers who are eligible to receive that credit and who furnish the information required under sub. (10) (a), and the credit under par. (b) shall reduce the property taxes otherwise payable.

(d) *Credit limit.* No taxpayer may receive in respect to any parcel credits under this subchapter that exceed the total amount of property taxes due on that parcel.

(10) CLAIMING THE LOTTERY CREDIT. (a) Beginning with property taxes levied in 1992, the owner of a principal dwelling who is entitled to receive a lottery credit under sub. (9) (bm) may claim the credit by making an application on a form prescribed by the department of revenue. A claimant whose principal dwelling is on a parcel of taxable property shall attest that, as of the certification date, the claimant is the owner of the property and that the claimant uses the property as his or her principal dwelling. The certification date is January 1 of the year in which the property taxes are levied. The claimant shall file the application with the treasurer of the county in which the property is located or, if the property is located in a city that collects taxes under s. 74.87 or in a city that receives the approval of the department of revenue to accept applications, with the city treasurer of the city in which the property is located. Subject to review by the department of revenue, a treasurer who receives a completed application shall direct that the property described in the application be identified on the next tax roll as property for which the owner is entitled to receive a lottery credit.

(d) If the department of revenue determines that a credit was claimed by a taxpayer who was not entitled to the credit for reasons other than that the taxpayer failed to furnish the information required under par. (a), the department of revenue shall collect the credit as a special charge against the county where the property for which the credit was claimed is located. The county shall instruct the appropriate taxation district to collect the credit as a special charge on the next property tax bill issued for the property.

(11) LOTTERY CREDIT ESTIMATED FAIR MARKET VALUE. (a) For property taxes levied in 1991, the lottery credit estimated fair market value is \$8,200. For property taxes levied in 1992,

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the lottery credit estimated fair market value is \$9,150. For property taxes levied in 1993 and thereafter, the estimated fair market value shall be determined under par. (b).

(b) Before October 16, the department of administration shall determine the total funds available for distribution under the lottery credit in the following year and shall inform the joint committee on finance of that total. Total funds available for distribution shall be all existing and projected lottery proceeds and interest for the fiscal year of the distribution, less the amount estimated to be expended under ss. 20.455 (2) (r) and 20.835 (2) (q) and (3) (r) and less the required reserve under s. 20.003 (5). The joint committee on finance may revise the total amount to be distributed if it does so at a meeting that takes place before November 1. If the joint committee on finance does not schedule a meeting to take place before November 1, the total determined by the department of administration shall be the total amount estimated to be distributed under the lottery credit in the following year.

(c) Before November 1, the department of administration shall inform the department of revenue of the total amount available for distribution under the lottery credit in the following year. Before December 1, the department of revenue shall calculate, to the nearest \$100, the estimated fair market value necessary to distribute the total amount available for distribution under the lottery credit in the following year.

History: 1971 c. 125 ss. 412, 521; Stats. 1971 s. 79.10; 1973 c. 90; 1975 c. 39, 199; 1977 c. 29, 418; 1979 c. 110 s. 60 (11); 1981 c. 20 ss. 1174 to 1182n, 2202 (45) (b); 1981 c. 93, 314, 317; 1983 a. 2 ss. 6 to 10, 12; 1983 a. 3, 27; 1983 a. 189 s. 329 (17m); 1983 a. 395; 1985 a. 4, 29, 39, 120; 1987 a. 27, 378; 1991 a. 39, 225, 269, 323.

79.11 Payment of tax credits. (1) The extension of the tax credits authorized by s. 79.10 on the tax roll shall be deemed payment of that portion of the total tax due on property to which such credits are applicable.

(2) Except as provided in s. 79.10 (10) (d), the payment of the difference between the total tax which is due on any property less the amount of the tax credits applicable to such property authorized by this subchapter shall be considered payment in full of the property taxes due thereon in that year.

(3) (a) In those cities, villages and towns where the payment of property taxes is authorized to be made in instalments, such instalment payments shall be based on the net amount of taxes due after the tax credits authorized by this subchapter have been applied.

(b) Notwithstanding ss. 74.11 (2) (b) and 74.12 (2) (b), the lottery credit shall be deducted in its entirety from the first instalment. This paragraph does not apply to the payment of taxes in instalments under s. 74.87.

History: 1971 c. 125 s. 411; Stats. 1971 s. 79.11; 1991 a. 39, 323.

79.14 School tax credit. The appropriation under s. 20.835 (3) (b) is \$319,305,000.

NOTE: Due to a partial veto of 1991 Wis. Act 39, s. 2135t, the section heading does not contain an action directive (e.g. "created"). Section 2135t states: "79.14 of the statutes is to read:"

History: 1991 a. 39, 315.

79.175 Excess tax credit corrections. If a municipality applies excess tax credits on the tax roll under s. 79.10 (9), the municipal clerk shall correct the excess application by deducting the excess amount from the appropriate credits in the following year.

History: 1975 c. 39; 1981 c. 20, 314; 1985 a. 29 s. 3202 (56) (b), (f); 1991 a. 39.

79.18 Insufficient tax credit corrections. If a municipality applies insufficient tax credits on the tax roll under s. 79.10 (9), the municipal clerk shall correct the deficiency by adding the deficient amount to the appropriate credits in the following year.

History: 1975 c. 39; 1981 c. 20; 1985 a. 29 s. 3202 (56) (b), (f); 1987 a. 27; 1991 a. 39.