

CHAPTER 79

STATE REVENUE SHARING

SUBCHAPTER I

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SUBCHAPTER I

MUNICIPAL AND COUNTY SHARED REVENUE ACCOUNT

79.01 Accounts established. (1) There is established an account in the general fund entitled the "Municipal and County Shared Tax Account", referred to in this chapter as the "shared tax account". There shall be recorded in such account all taxes and fees apportioned or appropriated to the shared tax account under the following sections of the 1975 statutes: 20.395 (1) (qd), 70.90 (1) (d), 70.996 (1) (b), 71.14 (8), 71.18 (3), 76.24 (3), 76.38 (7), 76.48 (4) and 86.35. Except for recording such amounts in the shared tax account, they shall be treated as all other money in the general fund until distributed pursuant to this chapter. No funds shall be entered into the account after the close of the 1977 fiscal year.

(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 this subchapter.

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

79.02 Preliminary distribution. (2) (a) On the 4th Monday in July, 1976, and on the 4th Monday in July, 1977, the department of administration, upon certification by the department of revenue, shall distribute to each municipality from the shared tax account an amount equal to .8375 of the preliminary distribution per capita factor times its population and to each

county an amount equal to .1625 of the preliminary distribution per capita factor times its population, as defined in s. 79.07. If on June 30 there is not sufficient money in the shared tax account to make such distributions, each municipality and county shall share in the amount then in the shared tax account in the proportion of the payment based on population it would receive to all the payments based on population which would be made if there were sufficient money in the shared tax account.

(am) Beginning on the 4th Monday in July, 1978, and annually thereafter, the department of administration, upon certification by the department of revenue, shall distribute to each municipality from the shared revenue account an amount equal to .8375 of the preliminary distribution per capita factor times its population and to each county an amount equal to .1625 of the preliminary distribution per capita factor times its population, as defined in s. 79.07. If on June 30 there is not sufficient money in the shared revenue account to make the distributions, each municipality and county shall share in the amount then in the shared revenue account in the proportion of the payment based on population it would receive to all the payments based on population which would be made if there were sufficient money in the shared revenue account.

(b) For purposes of pars. (a) and (am), the "preliminary distribution per capita factor" means for the 1976 distribution \$40, and thereafter, the lesser of the product of the 1976 population of the state times \$40 divided by the population of the state in the previous year, or \$40.

(c) Beginning on June 30, 1978, and annually thereafter, \$90,000,000 shall be entered

from the general fund into the shared revenue account for the preliminary distribution prescribed under this subsection.

History: 1971 c 125; 1973 c 90; 1975 c 39; 1977 c 29.

79.03 November distribution. (1) Annually on the 3rd Monday in November, the department of administration, upon certification by the department of revenue, shall distribute to municipalities and counties all funds entered in the shared revenue account as of the previous October 31, after reduction by the amounts necessary to make the payments from the shared revenue account under s. 79.04. The distributable share of each municipality and county shall consist of an amount determined on the basis of population under sub. (2), plus an amount determined under sub. (3), less the amount distributed in July of that year under s. 79.02. The distributable shares, thus determined, shall be reduced as provided in ss. 60.175 (6), 61.46 (3) (f), 62.12 (4m) (f), 65.07 (2) (f) and 70.62 (4) (f). The amounts of those reductions shall remain in the municipal and county shared revenue account and shall become a part of the funds to be distributed from that account in the next distributions under this section and s. 79.02.

(2) (a) Every municipality's portion of the amount distributable under sub. (1) based on population shall, except as affected by s. 79.06 (1), equal 8375 of the final distribution per capita factor times its population, as defined in s. 79.07, and every county's portion of the amount distributable under sub. (1) based on its population shall equal 1625 of the final distribution per capita factor times its population, as defined in s. 79.07.

(b) For purposes of par. (a), "final distribution per capita factor" means:

1. For the 1976 distribution, \$40.
2. For the 1977 to 1983 distributions, the lesser of the product of the 1976 population of the state times \$40 divided by the population of the state in the current year, or \$40.
3. For the 1984 distribution and thereafter, the total amount distributed under s. 70.966 (2) (b) in 1983 divided by the population of the state in the current year, plus the amount determined under subd. 2.

(3) The amount in the shared revenue account as of the previous October 31, less the November distribution based on population, and less the payments from the shared revenue account under s. 79.04 shall be allocated on the basis of allocable interests, determined as follows:

(e) 1. Distributions for the year 1976 and thereafter shall be determined by multiplying a municipality's or county's aidable revenues by

an amount, to be no less than zero, determined by subtracting from the figure 1 the quotient of full valuation divided by standardized valuation. The allocable share of each municipality and county under this subsection shall be in the same proportion as the amount determined under this paragraph for each municipality and county bears to the total amount, thus determined, of all municipalities and counties.

2. In this paragraph:

a. For a municipality, "aidable revenues" means the average local purpose revenues. For a county, "aidable revenues", for 1976, means one-fourth of the average local purpose revenues. For a county, "aidable revenues", for 1977, means the sum of one-fourth of the average local purpose revenues, plus an amount representing the difference between the current year's average local purpose revenues and the 1976 average local purpose revenues and for 1978 and thereafter means the sum of one-fourth of the average local purpose revenues, plus an amount representing the increase, if any, between the current year's average local purpose revenues and the 1976 average local purpose revenues with this total not exceeding the current year's average local purpose revenues.

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

c. "Sum of local purpose revenues" for those municipalities and counties whose fiscal year ends in the period July 1 to December 31 means the sum of local purpose revenues for the 3 fiscal years ending 2 years prior to the year of distribution. "Sum of local purpose revenues" for municipalities and counties whose fiscal year ends in the period January 1 to June 30 means the sum of local purpose revenues for the 3 fiscal years ending one year prior to the year of distribution.

d. "Local purpose revenues" means the sum of the following: local general purpose taxes, except payments in lieu of taxes by enterprises; regulation and compliance revenues, except judgments and damages; revenues for services to private parties by a county's or municipality's general operations or enterprises, except services by hospitals, nursing and rest homes, mass transit systems, urban development and housing agencies, liquor stores, cemeteries, and electric, gas and water utilities; interest and rental income; and, special assessment revenues, or in the case of enterprises, those special assessment revenues that are transferred to the municipality and county for general operations. In this subdivision: "local general purpose taxes" means tax increments collected for payment to a municipality under s. 66.46 and those taxes collected to finance the operation of the general

purpose government unit, including but not limited to general property taxes for local purposes, occupational taxes, forest cropland taxes, woodland taxes, interest on taxes, mobile home fees, room tax and retained sales tax; "regulation and compliance revenues" means revenue from local licenses, local permits, local law and ordinance violations, local contract and other noncompliance forfeitures; "revenues for services to private parties by a county's or municipality's general operation or enterprises" means those revenues collected from private parties for services provided, including but not limited to: judicial services such as court fees, probate fees and family court commissioner fees; general government services such as license publication fees, sale of publications, clerk's fees, register of deeds' fees, zoning fees and treasurer's fees; public safety services such as copies of accident reports, ambulance fees and fire calls; inspection services such as building, electrical, heat, plumbing, elevator and weights and measures; health and social services such as welfare repayments from individuals, home nursing services, health clinics, mental health services, sanatorium services, public health dispensary services, elderly nutrition program services; transportation services such as private road maintenance, sale of highway materials, parking ramps and meters, airport fees and dock and harbor fees; sanitation services such as refuse collection fees, sewage fees and landfill fees; leisure activity services such as library fines or fees, stadium, museum, zoo, golf, swimming pool and ice arena users or admission fees; conservation and development of natural resources services such as sale of trees, park use fees and weed cutting fees; except those services expressly excluded under this subdivision; "rental income" means rental of municipal facilities or property such as hall rentals and vacant land rentals but excluding rent to municipal departments or enterprises; and "special assessment revenues" means charges assessed against benefitted properties for certain public improvements or upkeep properties placed on the current tax roll for collection or collected during the year in advance of being placed on the tax roll, including but not limited to residential street improvements, sidewalks, storm sewers, curb and gutters, sanitary sewers, water mains, street lighting, snow removal, tree planting and removal, weed control and the interest and penalty charges thereon.

e. "Standardized valuation" means the product of \$30,000 times the population of a municipality or a county in the preceding year.

f. "Full valuation" means the full value of all taxable property for the preceding year as equalized for state tax purposes including value increments under s. 66.46.

3. In the case of municipalities formed after 1971 and until the 3 years of information needed for the calculations under subd. 1 exists, the new municipality and the remaining municipality from which it was formed shall be combined for the calculations under subd. 1 and the distribution to them shall be made according to the proportion that the full value of the new municipality and the municipality from which it was formed bear to each other in the first year of assessment of the new municipality.

4. Where a municipality is located in more than one county, its local purpose revenues shall be apportioned to each such county portion on the basis of general property full value.

(4) (a) On or before September 15, 1977, any funds remaining in the shared tax account shall be transferred to the shared revenue account. On October 31, 1977, \$290,800,000 minus any funds transferred from the shared tax account under this paragraph and minus the amount distributed in July 1977, under s. 79.02 shall be entered into the shared revenue account.

(b) On October 31, 1978, an amount equal to the total of subds. 1 and 2, minus the amount entered into the shared revenue account under s. 79.02 (2) (c), shall be entered into the shared revenue account.

1. \$300,000,000 increased by the actual rate of annual increase in the amount of general fund tax revenue collected by the state in the fiscal year ending during the calendar year of the distribution under this section, but not more than 12% or less than 5%.

2. The difference between the 1977 and 1978 payments under s. 70.996.

(c) Annually, beginning in 1979, the amount entered into the shared revenue account for total distributions under this subchapter shall increase over the amount entered for the prior year, excluding the amount transferred from the appropriation under s. 20.835 (2) (b) pursuant to s. 79.16, by the same rate as the actual rate of annual increase in the amount of general fund tax revenue collected by the state in the fiscal year ending during the calendar year of the distribution under this section, but not more than 12% or less than 5%. The amount entered in the shared revenue account in fiscal year 1982-83 under s. 79.17 (7) shall be considered as part of the prior year base amount for the purpose of computing the calendar year 1983 distribution under this paragraph. The total amount paid to municipalities and counties in 1983 under s. 70.996 shall be considered as part of the prior year base amount for the purpose of

computing the calendar year 1984 distribution under this paragraph.

(d) To maintain comparability for the purpose of computing the actual rate of annual increase in pars. (b) 1 and (c), adjustments shall be made to reflect reclassification of tax revenues as between state general fund tax revenues and program revenue, segregated revenue and local tax revenue appropriated under s. 20.835 (4). If a tax, or part thereof, is included in state general fund tax revenue in the most recent fiscal year, such tax, or corresponding part thereof, shall also be included in state general fund tax revenue for the prior fiscal year. If a tax, or part thereof, is not included in state general fund tax revenue in the most recent fiscal year because of any reclassification, such tax, or corresponding part thereof, shall be excluded from state general fund tax revenue for the prior fiscal year.

(e) In this subsection "state general fund tax revenue" means tax revenue collected by the state except taxes classified as program revenue, segregated revenue and local tax revenue appropriated under s. 20.835 (4).

History: 1971 c. 125, 215; 1973 c. 90; 1975 c. 39; 1977 c. 29, 203, 418.

79.04 Public utility distribution. (1) Annually, beginning on the 3rd Monday in November 1977, 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. 76.07 except those described in s. 66.069 (2) or by an electric cooperative association assessed under ss. 76.07 and 76.48, respectively, the following amounts, except as affected by s. 79.06 (1) and, 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 \$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 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. 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 municipality in any year shall not exceed \$300 times the population of the municipality, except for the guaranteed payment under par. (b).

(b) In 1976 each municipality will be guaranteed 90% of the adjusted 1975 payment; in 1977, 80% of the 1975 payment; in 1978, 70% of the 1975 payment; in 1979, 60% of the 1975 payment; in 1980, 50% of the 1975 payment; in 1981, 40% of the 1975 payment; in 1982, 30% of the 1975 payment; in 1983, 20% of the 1975 payment; in 1984, 10% of the 1975 payment; with no guarantee thereafter.

(c) 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).

(2) (a) Annually, beginning November 15, 1977, 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. 76.07 or by an electric cooperative association 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 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.

(b) In 1976 and 1977 each county which receives less under par. (a) than 50% of its payment under s. 79.04 (2) in 1975 shall receive a supplement from s. 20.835 (1) (bc) sufficient to make the combined payments of par. (a) and this paragraph equal to 50% of its payment in 1975 under s. 79.04 (2).

(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. Payments received under this subsection shall be excluded in determining maximum payments under s. 79.06 (1).

History: 1971 c. 125, 215; 1973 c. 90 ss. 387, 391g; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 29, 418

79.06 Maximum, minimum and residual payments. (1) **MAXIMUM PAYMENTS.** Beginning in 1976, no municipality or county may receive combined payments under ss. 79.02, 79.03 and 79.04 in excess of 109% of the payment received under ss. 79.02, 79.03, 79.04 and 79.06 the previous year. The amounts that are withheld from distribution because of the 109% limitation shall be distributed according to subs. (2) and (3). Payments made under s. 79.04 (3) shall be excluded from calculations made under this subsection.

(2) **MINIMUM PAYMENTS.** (a) If the 1976 combined payments under ss. 79.02, 79.03 and 79.04 are less than the 1975 payment under ss.

79.02, 79.03, 79.04 and 79.06, each such municipality and county shall receive an amount from the distribution under sub. (1) according to the proportion that such decrease in payments to each such municipality and county bears to the total of such decrease in payments, but such amount shall not exceed 100% of such decrease in payments. If the combined payments under ss. 79.02 and 79.03 in 1977 or 1978 are less than the combined payments under ss. 79.02, 79.03 and 79.06 in 1975 each such municipality and county shall receive an amount from the distribution under sub. (1) according to the proportion that such decrease in payments to each such municipality and county bears to the total of such decrease in payments, but such amount shall not exceed 100% of such decrease in payments. If a new incorporation has taken place which first affects the 1976 distribution or any year thereafter the minimum payment to the town from which the new municipality was formed and to the new municipality shall be computed by dividing the 1975 payment between the new municipality and the municipality from which it was formed according to the proportion that the full value of the new municipality and the municipality from which it was formed bear to each other in the first year of assessment of the new municipality. Any portion of the amounts available under sub. (1) but not distributed because of the 100% limitation in this subsection shall be distributed under sub. (3).

(b) If the combined payments to any municipality under ss. 79.02, 79.03, 79.04 and 79.06 (2) (a) in 1976 are less than the combined payments under ss. 79.02, 79.03, 79.04 and 79.06 in 1975, each such municipality shall receive a payment from the moneys appropriated under s. 20.835 (1) (bb) equal to its proportion of the total of such decreases in payments made to municipalities, except that such payment shall not exceed 100% of such decrease. If the combined payments to any municipality under ss. 79.02, 79.03 and 79.06 (2) (a) in 1977, 1978 or 1979 are less than the combined payments under ss. 79.02, 79.03 and 79.06 in 1975, each such municipality shall receive a payment from the moneys appropriated under s. 20.835 (1) (bb) equal to its proportion of such decreases in payments made to municipalities, except that such payment shall not exceed 100% of such decrease. If a new municipality has been formed which first affects the 1976, 1977, 1978 or 1979 distribution the minimum payment to the town from which the new municipality was formed and to the new municipality shall be computed by dividing the 1975 payment between the new municipality and the municipality from which it

was formed according to the proportion that the full value of the new municipality and the municipality from which it was formed bear to each other in the first year of assessment of the new municipality.

(c) If the combined payments to any county under ss. 79.02 to 79.06 in 1977 are less than the combined payments under ss. 79.02 to 79.06 in 1976, each such county shall receive a payment from the moneys appropriated under s. 20.835 (1) (j) equal to its proportion of the total such decreases in payments made to counties, except that such payment shall not exceed 100% of such decrease.

(3) **RESIDUAL PAYMENTS.** If all the funds available under sub. (1) are not distributed according to sub. (2) the remaining funds shall be distributed to all municipalities and counties according to their proportion of all the payments calculated under s. 79.03 for the current year prior to any limitation of such payment affected by sub. (1).

(4) **DISTRIBUTION DELAY.** The distribution of shared taxes delayed by chapter 158, laws of 1973, during 1975 or thereafter shall not be included in any calculations made under this section.

(5) **VOID.** This section shall be void after the 1978 distribution except sub. (2) (b) which shall be void after the 1979 distribution.

History: 1971 c. 125, 215; 1973 c. 90; 1975 c. 39; 1977 c. 29.

79.065 Maximum, minimum and residual payments; corrections. With respect to the November 1973 distribution under s. 79.06 or any distribution under that section thereafter, any 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 special census conducted in accordance with s. 16.96 (2) (dm) or in the distribution by the department of administration shall be corrected. Corrections shall be made as provided in this section if the department of administration or the department of revenue has determined within 3 years after the distribution that there was an overpayment or underpayment. Upon certification by the department of revenue any overpayment shall be corrected by reducing a subsequent payment under s. 79.02, 79.03 or 79.04 by the amount of the overpayment. Upon certification by the department of revenue, any underpayment shall be corrected by the department of administration in a subsequent distribution under s. 79.02, 79.03, 79.04 or 79.06. Such corrections shall be without interest.

History: 1973 c. 158, 333; 1975 c. 39.

79.07 Definitions. In this subchapter:

(1) "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.

(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.

79.08 Other distributions; corrections.

With respect to the July 1973 distribution under s. 79.02 or any distribution thereafter under that section or with respect to the November 1973 distributions under s. 79.03 or 79.04 or any distribution under either such section thereafter, any underpayment or overpayment made in any certification by the department of revenue or resulting from populations changed as a result of a final court determination or special census conducted in accordance with s. 16.96 (2) (dm) or in the distribution by the department of administration shall be corrected by the department of administration upon certification by the department of revenue, and appropriate adjustments to reduce or increase subsequent distributions to municipalities or counties under those sections shall be made to correct for any such underpayment or overpayment. Such corrections shall be made if the department of administration or the department of revenue determines within 3 years after the distribution that there was an overpayment or an underpayment. Such corrections shall be without interest. When the department of revenue determines that delay in correcting for any underpayment in distributions under s. 79.02, 79.03 or 79.04 will withhold 10% or more of the funds due to the municipality or county in that payment, it shall upon the request of the municipality or county, without delay, certify to the department of administration for payment the amount which will correct the error. Within 10 days thereafter, the department of administration shall pay from the appropriation under s. 20.835 (1) (k), to any such municipality or county the amount so certified. In the absence of such an advance payment, corrections shall be made as adjustments at the time of the distributions provided in ss. 79.02 to 79.04. Corrections under this section shall be paid from the appropriation under s. 20.835 (1) (k), or withheld from subsequent distribution.

History: 1973 c. 158, 333; 1977 c. 29.

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 shall contract with the department of revenue pursuant to s. 73.10 or a certified public accountant licensed under ch. 442 to compile and submit to the department the information required.

History: 1975 c. 39.

SUBCHAPTER II

PROPERTY TAX CREDITS

79.10 Real property and public utility tax credits. (1) DISTRIBUTION. On the first Monday in March of each year, commencing in March 1974, the amount appropriated under s. 20.835 (2) (a) shall be distributed by the department of administration to towns, villages and cities in allocable shares under sub. (2), and to taxpayers subject to taxation under ss. 76.13, 76.38 and 76.48, in allocable shares under sub. (1a), all as certified by the department of revenue.

(1a) UTILITY CREDITS. (a) The department of revenue shall determine the amount of the property tax credit allowable to each taxpayer which is subject to levy of taxes and license fees under ss. 76.13, 76.38 and 76.48. The aggregate of such credit shall be that proportion of the total property tax credit computed in the following manner. The numerator of the fraction shall be the average of the sum of the next 3 preceding year tax payments corresponding to the assessments of such years made pursuant to ss. 76.13, 76.38 and 76.48 except that payments or refunds made on account of delinquencies, additional assessments or contested assessments shall be included in the year of receipt or disbursement. The denominator of the fraction shall be the average of the sum of the next 3 preceding year total general property taxes levied (including state, county, local and school taxes) plus special assessments, plus occupational taxes, plus forest crop taxes, plus woodland taxes, plus the taxes paid, corresponding to the assessments of such years, pursuant to ss. 76.13, 76.38 and 76.48 except that payments or refunds made on account of delinquencies, additional assessments or contested assessments shall be included in the year of receipt or disbursement and all reduced by the levy on all property entitled to the credit under s. 79.12, 1973 stats. or s. 79.17 of all tax districts.

(b) That portion of the amount distributable under sub. (1) to grant property tax relief as set forth in par. (a) to taxpayers that paid taxes and license fees levied pursuant to ss. 76.13, 76.38 and 76.48 shall be paid to such taxpayers on the first Monday in March of each year. The

department of revenue shall certify a refund roll to the department of administration which department shall remit directly to the taxpayers. In the case of light, heat and power companies, conservation and regulation companies, and pipeline companies, the credit shall be applied against the payment due under s. 76.13 (2) on November 10 of the preceding year, except for the year 1976 and thereafter, and, in the case of all other companies upon which taxes are levied under s. 76.13 (1), the credit shall be paid directly to them on November 10 of the preceding year, commencing with credits otherwise payable on March 1, 1973, and on the first Monday in March in succeeding years.

(c) With respect to taxpayers that paid license fees levied pursuant to ss. 76.38 and 76.48 par. (b) shall not apply to property tax credit payment made to such taxpayers on the first Monday in March, 1976. Property tax credit earned by telephone companies and cooperative associations with respect to the May 1, 1976, and June 1, 1976, license fee assessments respectively and each May 1, or June 1 thereafter shall be credited to the license fee assessment of the subsequent year. With respect to taxpayers that paid taxes pursuant to s. 76.13 par. (b) shall not apply to the property tax credit payment made or credited on November 10, 1975. Property tax credits earned by taxpayers subject to s. 76.13 with respect to June 15, or August 15, 1976, assessments as the case may be and each June 15 or August 15 thereafter shall be credited to the November 10 payment provided by s. 76.13 (2a). The department of revenue shall certify a refund roll to the department of administration for all taxpayers that paid taxes and license fees pursuant to ss. 76.13, 76.38 and 76.48.

(1b) UTILITY CREDITS. Each taxpayer required to make semiannual instalments under ss. 76.13 (2a), 76.38 (3a) and 76.48 (3a) shall for each year take into account the property tax credits provided in this section so as to reduce each instalment by a pro rata share of the property tax credit allowable for such year.

(2) ALLOCATION. Participation in the 1973 allocation under sub. (1) shall be limited to municipalities having an average computed full value rate in excess of 17 mills. The excess of the average computed full value rate over 17 mills of each participating municipality in 1973 shall be multiplied by the municipality's full value of all taxable property except personal property entitled to tax credit under s. 79.12 for the preceding year, as equalized for state tax purposes. In the case of allocations for the year 1974 and thereafter, the differences between the computed full value rate of the municipality and one-half the state average full value rate for each of the preceding 3 years shall be averaged and, if the 3-

year overall computed full value rate of the municipality is in excess of the 3-year overall one-half the state average full value rate, the resulting average shall be multiplied by the municipality's full value of all taxable property except personal property entitled to tax credit under s. 79.12, 1973 stats. or s. 79.17 for the preceding year as equalized for state tax purposes. The allocable share of each participating municipality in the distribution under sub. (1) shall be in the same proportion as the amount determined hereunder for each municipality bears to the total amount, thus determined, of all participating municipalities.

(3) TAX CREDIT. On or before December 1 of the year preceding the distribution under sub. (1) in March of each year, the department of revenue shall notify the clerk of each town, village and city of the amount to be distributed to it under sub. (1) on the following first Monday in March. 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, as follows:

(a) The amount of the local assessed value of all assessed property of the municipality shall be reduced by the portion thereof which constitutes assessed value of personal property entitled to tax credit under s. 79.12, 1973 stats. or s. 79.17.

(b) Every property taxpayer of the municipality having assessed property, other than personal property entitled to tax credit under s. 79.12, 1973 stats. or s. 79.17, shall receive a tax credit in an amount determined by applying the percentage of the amount of the value of property, other than personal property entitled to tax credit under s. 79.12, 1973 stats. or s. 79.17, assessed to the taxpayer in the amount determined under par. (a) to the amount of the distribution to be made to the municipality under sub. (1), as stated in the December 1 notification from the department of revenue.

(c) The amount of the tax credit of particular property taxpayers, as determined under par. (b), shall be set forth on the tax bills of such taxpayers issued immediately following the December 1 notification referred to in this subsection and shall serve to reduce the property taxes otherwise payable.

(4) DEFINITIONS. (a) "Computed full value rate" means the sum total of all general property taxes (including state, county, local and school taxes, and tax increments paid by any taxing jurisdiction under s. 66.46), the total amount of all special assessments made, assessed or levied for the year irrespective of the manner or time of collection, sewer service charges, occupational taxes, forest crop taxes and woodlands taxes levied and extended by a town, village or city, as reported to the department of revenue in its

abstract of assessments and taxes, divided by the full value of all taxable property in the municipality as equalized for state purposes under s. 70.57 including value increments under s. 66.46, and the quotient expressed in mills per dollar of valuation.

(b) "Average computed full value rate of a municipality" means the average of the computed full value rate of the 3 years preceding the assessment year to which the tax credit is to apply.

(c) "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.

History: 1971 c. 125 ss. 412, 521; 1973 c. 90; 1975 c. 39, 199; 1977 c. 29, 418

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) 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) 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.

History: 1971 c. 125 s. 411.

79.16 Personal property tax relief provided through school aid and shared revenue account. (1) **APPROPRIATION TRANSFER.** Commencing with the 1978-79 fiscal year through the 1981-82 fiscal year, the amounts determined under subs. (2) and (3) shall be transferred annually from the appropriation under s. 20.835 (2) (b) to the appropriations under ss. 20.255 (1) (fj) and 20.835 (1) (h) for the purpose of providing personal property tax relief through general aid and the municipal and county shared revenue account.

(2) **SCHOOL AID.** (a) Annually, beginning in 1978, on or before the 20th day of October, the state superintendent shall submit to the joint committee on finance for its approval an estimate for the current school year of the amount of general aid to be distributed under s. 121.08 based upon the full value of the taxable property without reduction for fractional assessment under s. 70.57 (5) and estimates of membership

under s. 121.004 (8) and shared cost under s. 121.07 (6).

1. If the legislature has established guaranteed valuations under s. 121.07 (7) for the school year for which the computation under this paragraph is to be made, such guaranteed valuations shall be used in computing the estimate.

2. If the legislature has not established guaranteed valuations for the school year for which the computation under this paragraph is to be made, the state superintendent shall estimate guaranteed valuations to distribute an amount consistent with the percentage that state aid is to statewide school costs, as represented by appropriations under s. 20.255 for the current school year, excluding amounts transferred from s. 20.835 (2) (b).

(b) Within the time period under par. (a), the state superintendent of public instruction shall calculate the amount to be transferred by the department of administration from the appropriation under s. 20.835 (2) (b) to the appropriation under s. 20.255 (1) (fj) which shall be equal to the difference of subds. 1 and 2.

1. The amount of general aid which would be distributed using the valuations certified under s. 121.06 and guaranteed valuations as determined under par. (a).

2. The amount of general aid which would be distributed under par. (a).

(3) SHARED REVENUE ACCOUNT TRANSFER.

An amount equal to the amount determined under sub. (2) shall be transferred on October 30 by the department of administration from the appropriation under s. 20.835 (2) (b) to the appropriation under s. 20.835 (1) (h) to be distributed under s. 79.03 (3). This amount shall not be included in computations under s. 79.06 and shall not be treated as a shared revenue for purposes of s. 60.175, 61.46, 62.12, 65.07 or 70.62. Annually, the department of revenue shall, with the assistance of the department of public instruction, provide estimates of the amounts to be transferred under this paragraph to counties, towns, villages and cities. The 1978 estimate shall be made on or before October 21, 1977. The estimate for each succeeding year shall be made on the 3rd Friday after the 1st Monday of October.

History: History: 1977 c. 29

79.17 Personal property tax credits. (1)

Annually commencing on the 3rd Monday in February, 1977, through 1982, the department of administration shall remit to the treasurer of each taxation district from the appropriation made under s. 20.835 (2) (b) an amount as

certified to the department of administration by the department of revenue under sub. (2).

(2) In the case of allocation for the years 1977 to 1982, the computed full value rate of the municipality for each of the preceding 3 years shall be averaged and the resulting average shall be multiplied by the municipality's full value of taxable merchants' stock-in-trade, manufacturers' materials and finished products, and live-stock for the preceding year. In 1977, the allocable share of each participating municipality in the distribution under sub. (1) shall be the amount determined in this subsection for each municipality multiplied by the lesser of .8 or the factor resulting when the total amount, thus determined, is divided into 107% of the total actual distribution made in the prior year under s. 79.12, 1973 stats., as affected by chapter 39, laws of 1975. In 1978 the allocable share of each participating municipality shall be the amount determined in this subsection for each municipality multiplied by the factor resulting when the total amount, thus determined, is divided into the appropriation made under s. 20.835 (2) (b). In 1979 to 1982 the allocable share of each participating municipality shall be the amount determined in this subsection for each municipality multiplied by the factor resulting when the total amount thus determined is divided into the amounts in the schedule under s. 20.835 (2) (b) less that portion allocated to general aid and the shared revenue account under s. 79.16.

(3) (a) On or before December 1 of the year preceding the distribution under sub. (1) in February of each year, the department of revenue shall notify the clerk of each town, village and city of the amount to be distributed to it under sub. (1) on the following 3rd Monday in February. 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 under par. (b).

(b) Every general property taxpayer of the municipality having general property, other than property entitled to tax credit under s. 79.10, shall receive a tax credit in an amount determined by applying a factor to the taxpayer's taxes, such factor resulting when general property taxes on property, other than property entitled to credit under s. 79.10, is divided into the amount of the distribution to be made to the municipality under sub. (1), as stated in the December 1 notification from the department of revenue. However the factor shall not exceed 80% of taxes levied in each of the years from 1977 to 1980.

(3m) Whenever a taxation district receives an amount under sub. (1) in excess of the total

tax credit applied under sub. (3) (b), the treasurer of the taxation district shall treat it as relief of taxation to be collected in the same year on property entitled to tax credit under s. 79.10. The municipal clerk shall add this excess to the tax credit for the same year provided under s. 79.10, and shall apply the resulting total as the tax credit distributed according to s. 79.10 (3) (b).

(4) The amount of the tax credit of particular property taxpayers, as determined under sub. (3) (b), shall be set forth on the tax bills of such taxpayers issued immediately following the December 1 notification referred to in sub. (3) (a) and shall serve to reduce the property taxes otherwise payable.

(5) Any taxpayer who intentionally renders a false or fraudulent report to the local assessor on the number or grade of livestock in the taxpayer's possession on January 1, or who intentionally overstates the value of the merchants' stock-in-trade, or manufacturers' materials and finished products in the taxpayer's possession on January 1, may be fined not to exceed \$5,000 or imprisoned not to exceed one year, or both, with the cost of prosecution. Any local assessor or other officer of the tax district aiding or abetting a taxpayer in the filing of a false or fraudulent report may be fined not to exceed \$500 or imprisoned not to exceed 6 months, or both, with the cost of prosecution.

(6) In this section:

(a) "Computed full value rate" means the sum total of all general property taxes (including state, county, local and school taxes and tax increments paid by any taxing jurisdiction under s. 66.46), the total amount of all special assessments made, assessed or levied for the year irrespective of the manner or time of collection, sewer service charges, occupational taxes, forest cropland taxes and woodlands taxes levied and extended by a town, village or city, as reported to the department of revenue on forms prescribed by it, divided by the full value of all taxable property in the municipality including value increments under s. 66.46, and the quotient expressed in mills per dollar of valuation.

(b) "Full value of taxable merchants' stock-in-trade, manufacturers' materials and finished products, and livestock" refers to the full value of such property without reduction for fractional assessment under s. 70.57 (5). For purposes of the 1982 payment under sub. (1), "full value of taxable merchants' stock-in-trade, manufacturers' materials and finished products, and livestock" may be based upon estimates of the full value of property exempt under s. 70.111 (17) and shall not require assessment of such property.

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

(7) In fiscal year 1982-83, equal amounts determined through application of the procedure provided for under s. 79.16 (2) and (3) shall be entered in the shared revenue account for distribution under s. 79.03 and be made available for distribution of general school aid under s. 20.255 (1) (f). For purposes of determination of these amounts, full value of property without reduction for exemption under s. 70.111 (17) may be based upon estimates and shall not require assessment of property exempt under s. 70.111 (17).

History: 1975 c. 39, 199, 224; 1977 c. 29 ss. 908, 909, 1646 (3); 1977 c. 203, 418.

79.175 Personal property tax credit corrections. (1) When a taxation district has received an overpayment of tax credit under s. 79.17, either before or after July 31, 1975, the excess shall be a direct claim by the state against the taxation district and if not paid on demand it shall be certified as a special charge in the next following department of administration's apportionment of state taxes and charges.

(2) When a taxpayer has received an excess credit under either s. 79.10 or 79.17, or both, the taxation district shall collect the excess from the taxpayer who received it. The excess shall be a direct claim by the taxation district and if not paid on demand may be collected in an action for debt by the taxation district or it may deduct such excess from the credits to which such taxpayer would otherwise be entitled in the next tax roll. The clerk shall add such excess to the tax credit certified by the department on the next December 1 and distribute the total according to s. 79.10 (3) (b) if the excess occurred under s. 79.10, or 79.17 (3) (b) if excess occurred under s. 79.17.

History: 1975 c. 39.

79.18 Underpayment of credits. If the credit under s. 79.10 or 79.17 was understated the treasurer shall pay such taxpayer the amount of the understatement if the tax has been paid in full. If the tax has not been paid in full the clerk shall issue an order check to the treasurer then in possession of the tax roll who shall apply such amount as payment on the taxes due. The next December 1 certification under s. 79.10 (3) or 79.17 (3) shall be reduced by the clerk for such payments or credits and the balance then remaining shall be distributed in accordance with s. 79.10 (3) (b) if the underpayment occurred under s. 79.10 or 79.17

(3) (b) if the underpayment occurred under s. 79.17.

History: 1975 c. 39.

79.185 Omitted property. Property entitled to credit under s. 79.10 or 79.17 but omitted from the assessment roll shall be taxed according to s. 70.44 at the rate prevailing in the year of omission but shall receive the same state credit as other like property receives in the year in which it is placed on the tax roll.

History: 1975 c. 39.

79.19 Correcting allocation errors. Errors made in allocating the amounts specified in ss. 79.10 (1) and 79.17 (1), for purposes of separate distributions under ss. 79.10 (1a) and (2) and 79.17 (2), shall be corrected by the department of revenue in the allocation in the earliest year possible of the next succeeding 4 years. Such correction shall be made by reducing or increasing, as the case may be, the amount of the distribution under s. 79.10 (1a) in the correcting allocation, by the amount of the erroneous under or overallocation under s. 79.10 (1a) in the year of error, and reducing or increasing in like amount the amount of the distribution under s. 79.10 (2) if the error occurred in s. 79.10 or 79.17 (2) if the error occurred in s. 79.17 in the year the correction is made.

History: 1975 c. 39; 1977 c. 418 s. 929 (42).

SUBCHAPTER III

IMPROVEMENTS TAX RELIEF

79.24 Legislative purpose and findings.

(1) PURPOSE. It is the purpose of this subchapter to encourage residential property owners to improve their property by a system of state tax credits designed to offset increased property taxes resulting from such improvements.

(2) FINDINGS. The legislature finds:

(a) That residential property owners are often discouraged from making improvements to their property by the increases in property taxes which would result.

(b) That this problem is particularly acute in relationship to older structures which do not exceed \$50,000 in valuation, in the case of homes, or \$75,000 in valuation, in the case of rental units.

(c) That this problem has resulted in the deterioration of entire neighborhoods, especially in large metropolitan areas, in this state.

(d) That many property owners feel that the property tax system, in effect, penalizes those who improve their property and attempt to preserve the integrity of their neighborhoods

and, in effect, rewards those who neglect their property.

(e) That the resulting deterioration of residential property in this state, caused in part by the burden of increased property taxes, is detrimental to the health, safety and welfare of the residents of this state and to the sound growth and development of Wisconsin communities.

History: 1977 c. 418.

79.25 Improvements tax relief. (1) DEFINITIONS. In this section:

(a) "Department" means the department of revenue.

(ag) "Full valuation" for any property means the assessed value of the property divided by the assessment ratio for that class of property within the taxation district.

(ar) "Full value tax rate" means the total amount of taxes for all purposes, less any credits received under s. 79.10 (3), in the taxation district divided by the full valuation of all classes of property in the tax district.

(b) "Home" means a one- or 2-family dwelling and appurtenant land which has a full valuation of \$50,000 or less and is a principal residence of the occupants.

(c) "Improvement assessment" means the amount of the full valuation of a home or rental unit in excess of the previous year's full valuation which is directly attributable to improvements made during the previous year.

(d) "Improvements" means any addition to or alteration of a home or rental unit dwelling or garage which increases its market value.

(e) "Owner" means the owner of a home or rental unit on the date the property tax roll is delivered to the local treasurer with a warrant for collection.

(f) "Rental unit" means any dwelling with 3 or more living units and appurtenant land which has a full valuation of \$75,000 or less and is a principal residence of the occupants.

(2) Commencing January 1, 1980, every owner who improves his or her home or rental unit is eligible to receive a tax credit from the state in the amount determined by multiplying the full value tax rate, for all purposes, by the improvement assessment on the property. This section does not apply to the owner of a new home or rental unit for which the original building permit was issued within the 10 years preceding application or, if no original building permit was issued, which was first entered on the local tax roll within the 10 years preceding application.

(3) Application under this section shall be made on forms prescribed by the department

prior to June 30 of the year following the assessment for which credit is claimed. Every claimant shall supply to the department, in support of the claim, reasonable proof of property taxes accrued, changes of ownership, value and age of the home or rental unit for which a claim is filed and whether the home or rental unit is in violation of any building code ordinances or statutes established for the protection of the health and safety of the dwelling's occupants.

(4) The department shall calculate the amount of the credit for the year of application by multiplying the owner's improvement assessment by the full value tax rate. The amount of the improvement assessment used for this calculation, when added to the improvement assessments for which credit was applied for under this section in the 4 preceding years, shall not exceed \$3,000. Additional instalments, equal in amount to the credit calculated in the year of application shall be paid in the 4 succeeding years, in addition to any further credit granted under this section.

(5) Annually, by September 1, the department shall certify to the department of administration the amount calculated under sub. (4), including any subsequent instalment payments, providing sub. (6) has been complied with. No later than October 1, the department of administration shall issue a check from the appropriation under s. 20.835 (2) (d) to each owner certified to receive a credit under this section.

(6) The department shall, by January 15 of each of the 4 years succeeding an application under sub. (4) which resulted in the granting of credit, mail a form to the applicant who received the credit to verify that such person is still the owner of the home or rental unit for which the credit was granted. Such form shall notify the applicant that, unless it is received by the department by June 30 of the same year, the applicant shall forfeit the instalment of credit due to be received for that year.

(7) If the ownership of a home or rental unit is transferred, other than by death of the owner, within 7 years of any year in which tax credits are granted under this section, not including any year in which only subsequent instalments on an original grant of credit are received, the owner who has received such tax credits shall reimburse the department the full amount of the credits received as of the date of transfer plus interest at 6% per year compounded annually from the date of transfer. The credit shall be recovered by assessment as income taxes are assessed.

(8) Improvements made prior to the transfer of ownership of a home or rental unit are not

eligible for tax credits under this section subsequent to the transfer of ownership.

(8m) Improvements for which credit has been granted under s. 71.09 (12) are not eligible for credit under this section.

(9) The amount of any credit otherwise payable under this section may be applied by the department against any liability outstanding on the books of the department against the applicant.

(10) Whenever an audit of any claim filed under this section indicates that an incorrect claim was filed, the department shall make a determination of the correct amount and notify the claimant of the determination and the reasons therefor. Notice of the determination shall be given to the claimant within 4 years of the last day prescribed by law for filing the claim. If the claim has been paid, the credit shall be reduced or canceled, and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed and such assessment shall bear interest at 9% per annum from the due date of the claim. Any person feeling aggrieved by the determination may, within 30 days after receipt, petition the department for redetermination. The department shall make a redetermination on the petition within 6 months after it is filed and notify the claimant. If no timely petition for redetermination is filed with the department, its determination shall be final and conclusive.

(11) A claimant who has filed a timely claim under this section may file an amended claim with the department within 4 years of the last day prescribed by law for filing the original claim.

(12) In any case in which it is determined that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full and, if the claim has been paid, the credit shall be canceled and the amount paid may be recovered by assessment as income taxes are assessed and such assessment shall bear interest from the due date of the claim, until refunded or paid, at the rate of 1.5% per month. The claimant in such case, and any person who assisted in the preparation or filing of the excessive claim or supplied information upon which the excessive claim was prepared, with fraudulent intent, shall be guilty of a misdemeanor. In any case in which it is determined that a claim is or was excessive and was negligently prepared, 10% of the corrected claim shall be disallowed and, if the claim has been paid or credited against income taxes otherwise payable, the credit shall be reduced or canceled and the proper portion of any amount paid shall be similarly recovered by assessment as income

taxes are assessed and the assessment shall bear interest at 1.5% per month from the due date of the claim.

(13) Any person aggrieved by the department's redetermination under this section may appeal the redetermination to the tax appeals commission by filing a petition with the commission within 30 days after the redetermination, as provided under s. 73.01 (5) with respect to income tax cases, and review of the commission's decision may be had under s. 73.015. For appeals brought under this subsection, the filing fee required under s. 73.01 (5) (a) shall not apply.

(14) Beginning January 1, 1982, and annually thereafter, the department shall review the

improvements tax relief program created under this subchapter and report to the governor and the legislature, taking into account findings that the full value of homes and rental units, property taxes and the full value of improvements have increased or decreased and may propose appropriate legislation.

(15) Applications under this section made prior to June 30, 1980, may also include the improvement assessment for all improvements made from May 1, 1977, to April 30, 1978, whether or not such improvement assessment has been shown on the claimant's local property tax statement.

History: 1977 c. 29, 313, 418