

CHAPTER 79

STATE REVENUE SHARING

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SUBCHAPTER I

MUNICIPAL AND COUNTY SHARED REVENUE ACCOUNT

79.005 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; 1981 c. 20 s. 1169.

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. (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; 1979 c. 221.

79.015 Statement of estimated payments. (1) The department of revenue, on or before September 15 of 1985 and 1986, and on or before December 1 of each year beginning with 1987, 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 and 79.06. The municipality or county shall not consider the anticipated receipt of these entitlements in determining the tax rate of the municipality or county.

(2) The amount of credit to be certified to each municipality under s. 79.10 (9) shall be equal to the sum of amounts computed under pars. (a) and (b):

(a) The municipality's total entitlements under this subchapter for the following year as determined by the department of revenue in December of the current year.

(b) A portion of the county's total entitlements under this subchapter for the following year as determined by the

department of revenue on or before December 1 of the current year for each county in which the municipality is located. This portion shall be equal to the sum generated by dividing the amount computed under subd. 1 by the amount computed under subd. 2 and multiplying the resultant amount by the amount computed under subd. 3:

1. The full value of the municipality's taxable property located in the county, excluding value increments as defined under s. 66.46 (2) (m).

2. The full value of the county's taxable property, excluding value increments as defined under s. 66.46 (2) (m).

3. The county's total entitlements for the following year under this subchapter.

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

NOTE: Sub. (2) and the last sentence of sub. (1) take effect 7-1-87. See 1985 Wis. Act 29, s. 3204 (56) (d) 2.

79.02 Shared revenue distributions. (1) Except as provided in sub. (4), 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, the 3rd Monday in September and the 3rd Monday in November.

NOTE: The phrase "Except as provided in sub. (4)," is inserted in sub. (1) by 1985 Wis. Act 29, eff. 1-1-88.

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

NOTE: Par. (a) is shown as affected by 1985 Wis. Act 29, eff. 1-1-88. Prior to 1-1-88, "entitlements" is replaced by "estimated payments" and "s. 79.015 (2)" is replaced by "s. 79.015".

(b) Payments in July shall equal 15% of the municipality's or county's entitlements.

NOTE: Par. (b) is shown as amended by 1985 Wis. Act 29, which provides that the amendment (in respect to redefining "estimated payments" as "entitlements") takes effect 1-1-88. Prior to its amendment by 1985 Wis. Act 29, par. (b) reads as follows:

"(b) Payments in July of 1984 shall equal 15% of the municipality's or county's estimated payments for that year. Payments in July of 1985 shall equal 20% of the municipality's or county's estimated payments for that year. Payments in July of 1986 and subsequent years shall equal 25% of the municipality's or county's estimated payments."

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

NOTE: Sub. (3) is shown as affected by Acts 29 and 120. Act 29 replaces "entitlement" with "entitlements" eff. 1-1-88.

(4) (a) If par. (b) or (c) apply, the department of administration, upon certification by the department of revenue, shall distribute in 1988 and thereafter payments to each municipality and county on the 4th Monday in July, the 3rd Monday in September and the 3rd Monday in November.

Payments in July shall equal 15% of the municipality's or county's entitlements; payments in September shall equal 25% of the municipality's or county's entitlements; and payments in November shall equal the remainder of the municipality's or county's entitlements for the current year.

(b) If the tax credit to a municipality under s. 79.015 (2) (a) exceeds the total property taxes levied for local purposes for that municipality, the department of administration, upon certification by the department of revenue, shall distribute to that municipality a portion of the tax credit equal to that municipality's levy for local purposes. The remainder of the entitlement under s. 79.015 (2) (a) shall be returned to the general fund.

(c) If the portion of the county tax credit allocated to a municipality under s. 79.015 (2) (b) exceeds the property taxes levied for the county within that municipality, the department of administration, upon certification by the department of revenue, shall distribute to the county a portion of the tax credit equal to the property taxes levied for the county within that municipality. The remainder of the entitlement under s. 79.015 (2) (b) shall be returned to the general fund.

History: 1983 a. 27; 1985 a. 29 ss. 1505p, 1505t, 3202 (46); 1985 a. 120.

NOTE: Sub. (4) is created by 1985 Wis. Act 29, eff. 1-1-88.

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, the following percentages of the average local purpose revenue: 70% in 1982, 75% in 1983, 80% in 1984 and 85% in 1985 and thereafter.

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, 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.

4. "Local purpose revenues" means the sum of the following: local general purpose taxes; regulation revenues, except liquor and malt beverage licenses, business and occupational licenses and cable television licenses; 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 and, except judicial service fees and court costs, register of deeds fees, board paid for prisoners at county jails, fees for mental health, developmental disability and alcohol and drug abuse services provided under ss. 51.42 and 51.437, welfare repayments by individuals, other health and social services fees, fees from older American projects,

revenues from the sale of highway materials and services, revenues from the operation of vessels under s. 30.38 (8) (b) 3, snow, ice and weed control revenues, airport revenues, fairs and exhibits, auditoriums, stadiums and celebration revenues, forestry fees, and sewer revenues from private parties outside the municipality; revenue for sanitation services to private parties collected by sewerage, sanitation or inland lake rehabilitation districts; special assessment revenues, or in the case of enterprises, those special assessment revenues that are transferred to the municipality and county for general operations; tax base equalization aids; and, for municipalities only, a proxy for private sewer service costs. 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. In this subdivision:

a. "Local general purpose taxes" means, for the calculation of local purpose revenues for 1983 to 1987, 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 collected to finance the general purpose government unit, property taxes collected for sewage and sanitary districts, mobile home fees and municipal and county vehicle registration fees under s. 341.35 (1). "Local general purpose taxes" means, for the calculation of local purpose revenues for 1988 and thereafter, 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 collected to finance the general purpose government unit, net of the credit determined under ss. 79.015 (2) (a) and (b) and 86.30 (10) (a) and (b) which was applied to tax bills, property taxes collected for sewage and sanitary districts, mobile home fees 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.

c. "Regulation revenues" means revenue from local licenses and local permits except revenues expressly excluded under this subdivision.

d. "Revenue for sanitation services to private parties" means revenues collected from private parties 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 operation or enterprises" means those revenues collected from private parties for services provided, including but not limited to: general government services

such as license publication fees, sale of publications, clerk's 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 public health dispensary services; transportation services such as parking ramps and meters, 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, museum, zoo, golf, swimming pool and ice arena users or admission fees; conservation and development of natural resources services such as park use fees; except those services expressly excluded under this subdivision.

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 payments received under par. (a).

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, rounded to the nearest hundred, 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" 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.

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.

(d) 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) In 1985, the total amount to be distributed under this subchapter from the appropriation under s. 20.835 (1) (d) is \$759,360,000. In 1986, the total amount to be distributed under this subchapter from the appropriation under s. 20.835 (1) (d) is \$779,360,000. In 1987, the total amount to be distributed under this subchapter from the appropriation under s. 20.835 (1) (d) is \$779,360,000.

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.

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 association assessed under ss. 76.07 and 76.48, respectively, the following amounts, 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.

(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) 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 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 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.

(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.

79.06 Minimum and maximum payments. (1) **MINIMUM PAYMENTS.** (b) If the payments to any municipality or county under s. 79.03 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 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 in the previous year exceeds the payments to the municipality or county under s. 79.03 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 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 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.

79.08 Corrections. (1) If the department of administration or the department of revenue determines by November 1 of the year of the distribution under this subchapter that there was an overpayment or underpayment made in any certification by the department of revenue or resulting from changes to the elements of the distribution or in the distribution by the department of administration, the overpayment or underpayment shall be corrected as provided in this section. Any overpayment shall be corrected by reducing the subsequent year's payment under the appropriate section of this subchapter. Any underpayment shall be corrected by increasing the subsequent year's payment under the appropriate section of this subchapter. Corrections shall be made in the payment to all municipalities and counties affected by the error. Corrections shall be without interest. When the sum of all underpayments and overpayments results in a net underpayment, the net underpayment shall be paid from the appropriation under s. 20.835 (1) (e). When the sum of all underpayments and overpayments results in a net overpayment, the net overpayment shall be returned to the general fund.

(2) 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 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 the appropriate section of this subchapter. Any underpayment shall be corrected by increasing the subsequent year's distribution under the appropriate section of this subchapter. Corrections shall be made in the distributions to all municipalities and counties affected by the error. Corrections shall be without interest. When the sum of all underpayments and overpayments results in a net underpayment, the net underpayment shall be paid from the appropriation under s. 20.835 (1) (e). When the sum of all underpayments and overpayments results in a net overpayment, the net overpayment shall be returned to the general fund.

History: 1973 c. 158, 333; 1977 c. 29; 1979 c. 34; 1981 c. 20; 1983 a. 27; 1985 a. 29.

NOTE: This section is shown as affected by 1985 Wis. Act 29, eff. 1-1-88, when sub. (1) is renumbered (2) and a new (1) is created.

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:

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

(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.

(c) "General government levies" means the total of all general property taxes levied in a municipality, including value increments under s. 66.46 but excluding school tax levies, net of municipal surplus funds applied against those levies, and minus credits applied under ss. 79.015 (2) and 86.30 (10).

NOTE: Par. (c) is created by 1985 Wis. Act 29, which states that the treatment of par. (c) (in respect to subtracting credits) takes effect 7-1-87.

(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.

(dm) "Proportion annexed" means the amount determined by dividing the equalized value of the property annexed by a municipality by the equalized value of all property in the municipality from which the property was annexed, both values as determined under s. 70.57 in the year in which the annexation took place.

(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, and minus credits applied under s. 121.008 (6).

NOTE: Par. (e) is created by 1985 Wis. Act 29, which states that the treatment of par. (e) (in respect to subtracting credits) takes effect 7-1-87.

(2) NOTICE TO MUNICIPALITIES. On or before December 1 of the year preceding the distribution under sub. (7m), the department of revenue shall notify the clerk of each town, village and city of the amount to be distributed to it under sub. (7m) on the following first Monday in March and 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.

(3) SCHOOL AID CREDIT. (a) In this subsection, "school aid entitlements" of a school district means the difference generated by subtracting:

1. School aid payments to each elementary and secondary school district under s. 121.08 for the current fiscal year based on the equalized valuations under s. 121.06, estimates of membership under s. 121.004 (5), shared cost under s. 121.07 (6) and the guaranteed valuation per member under s. 121.07; from

2. School aid payments to each elementary and secondary school district under s. 121.08 for the current fiscal year based on the equalized valuations under s. 121.06, estimates of membership under s. 121.004 (5), shared cost under s. 121.07 (6) and the guaranteed valuation per member sufficient to generate without proration a sum of school aid payments to

all school districts that falls within the range of .999 and 1.001 of the total amount of school aid payments calculated under subd. 1 plus the amount to be distributed under this subsection.

(b) The amount to be distributed under this subsection is the amount appropriated under s. 20.835 (3) (c).

(c) The school aid credit or credits of each municipality shall be that portion of the school aid credit of each school district in which that municipality is located generated by:

1. Dividing the municipality's full value of taxable property, excluding value increments under s. 66.46, that is located within the school district; by

2. The school district's full value of taxable property, excluding value increments under s. 66.46; and multiplying this amount by

3. The school aid credit of the school district.

(d) 1. The state superintendent of public instruction shall calculate the school aid entitlement under par. (a) and shall certify the results to the department of revenue by October 30 of the year preceding the distribution.

2. The state superintendent of public instruction shall provide estimates of additional school aid entitlements to the department of revenue by August 15 of the year preceding the distribution.

3. Annually by July 1, the state superintendent of public instruction shall provide the department of revenue with any information necessary to make the corrections under sub. (3m).

(3m) CORRECTIONS OF SCHOOL AID CREDIT PAYMENTS. If the department of administration or the department of revenue determines by July 1 of the year of any distribution under sub. (3) that there was an overpayment or underpayment made in that year's distribution by the department of administration to municipalities, as determined under sub. (3), the overpayment or underpayment shall be corrected as provided in this subsection. Any corrections to the elements of any distribution shall be made by July 1 of the year of the distribution. If the amount of the overpayment is less than or equal to the subsequent year's distribution for a school district, as determined under sub. (3), the overpayment shall be corrected by reducing the subsequent year's distribution for that school district, as determined under sub. (3), by an amount equal to the amount of the overpayment. If the amount of the overpayment exceeds the subsequent year's distribution for a school district, as determined under sub. (3), the overpayment shall be corrected by reducing the subsequent year's distribution for that school district, as determined under sub. (3), to zero and by reducing the subsequent year's distribution, as determined under subs. (4) and (5) and s. 79.105, by an amount equal to the amount by which the overpayment exceeds the subsequent year's distribution for that school district, as determined under sub. (3). The amount by which the subsequent year's distribution, as determined under subs. (4) and (5) and s. 79.105, is reduced shall be returned to the general fund. Any underpayment for a school district shall be corrected by increasing the subsequent year's distribution for that school district, as determined under sub. (3), 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. When the sum of all underpayments and overpayments results in a net underpayment, the net underpayment shall be paid from the appropriation under s. 20.835 (3) (d). When the sum of all underpayments and overpayments results in a net overpayment, the net overpayment shall be returned to the general fund.

(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).

(5) **GENERAL GOVERNMENT TAX CREDIT.** The amount appropriated under s. 20.835 (3) (a) shall be distributed to municipalities in proportion to their share of the sum of average general government levies for all municipalities, as adjusted under sub. (7).

(6) **TOTAL DISTRIBUTION.** The total amount to be distributed under subs. (4) and (5) in 1986 is \$304,100,000. In 1987 and thereafter, the total amount distributed under subs. (4) and (5) from the appropriations under s. 20.835 (3) (a) and (b) shall increase over the total amount distributed in the previous year under those appropriations by 5%. On or before November 15 of each year, the department of revenue shall determine the amounts to be distributed in the following year under subs. (4) and (5). Those amounts shall be proportionate to the sum of average school tax levies and the sum of average general government levies.

(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) and s. 79.105 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) and s. 79.105, the overpayment or underpayment shall be corrected as provided in this subsection. Any corrections to the elements of any distribution shall be made by October 1 of the year of the distribution. Any overpayment shall be corrected by reducing the subsequent year's distribution, as determined under subs. (4) and (5) and s. 79.105, 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) and s. 79.105, 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. When the sum of all underpayments and overpayments results in a net underpayment, the net underpayment shall be paid from the appropriation under s. 20.835 (3) (d). When the sum of all underpayments and overpayments results in a net overpayment, the net overpayment shall be returned to the general fund.

(7) **ANNEXATION ADJUSTMENT.** If, during any of the 3 years preceding the assessment year to which the tax credit is to apply, a municipality has annexed property which, in total, has an equalized value of more than 5% of the equalized value of the annexing municipality prior to the annexation, both values as determined under s. 70.57 in the year in which the annexation took place, the municipality's share under subs. (4) and (5) of statewide average general government levies and average school tax levies shall be adjusted in the following manner. When computing the municipality's share of statewide general government levies for the year in which the annexation took place and any preceding years included in the 3-year average, the share of statewide general government levies for the municipality annexing property will include the sum of the amounts determined by multiplying the proportion annexed by the general government levies of each municipality from which property was annexed. The share of statewide general government levies for each municipality from which property was annexed will exclude an amount equal to the amount included in the annexing municipality's general government levies under this subsection because of the annexation. When computing the municipality's

share of statewide school tax levies for the year in which the annexation took place and any preceding years included in the 3-year average, the share of statewide school tax levies for the municipality annexing property will include the sum of the amounts determined by multiplying the proportion annexed by the school tax levies of each municipality from which property was annexed. The share of statewide school tax levies for each municipality from which property was annexed will exclude an amount equal to the amount included in the annexing municipality's school tax levies under this subsection because of the annexation.

(7m) **DISTRIBUTION TO MUNICIPALITIES.** (a) On the first Monday in March, commencing in 1987, 50% of the amount appropriated under s. 20.835 (3) (c) shall be distributed by the department of administration to municipalities. The amount distributed to each municipality shall be equal to 50% of the amount determined for that municipality under sub. (3). On or before March 15, the municipal treasurer shall settle for 50% of the credit under sub. (3) with the appropriate school district treasurer.

(b) On the first Monday in June, commencing in 1987, 50% of the amount appropriated under s. 20.835 (3) (c) shall be distributed by the department of administration to municipalities. The amount distributed to each municipality shall be equal to 50% of the amount determined for that municipality under sub. (3). On or before June 15, the municipal treasurer shall settle for 50% of the credit under sub. (3) with the appropriate school district treasurer.

(c) On the 4th Monday in July, commencing in 1987, the amount appropriated under s. 20.835 (3) (a) and (b) shall be distributed by the department of administration to towns, villages and cities as determined under subs. (4) and (5) and s. 79.105. The town, village or city treasurer shall settle for the amounts distributed under subs. (4) and (5) and s. 79.105 with the appropriate county treasurer on the next regular settlement date under s. 74.03 (5) or with the appropriate treasurers of each taxing jurisdiction on the next regular settlement date under s. 74.031 (8) following the town's, village's or city's receipt of those amounts, but that settlement may not be made later than August 15. Failure to settle timely under this subsection subjects the town, village or city treasurer to the penalties under s. 74.22. On or before August 20, the county treasurer shall use the amounts distributed under subs. (4) and (5) and s. 79.105 to settle with each taxing jurisdiction, including towns, villages and cities except 1st class cities and except taxing jurisdictions settling under s. 74.031, in the county.

(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.** (a) The department of revenue, on or before December 1 of each year, beginning with 1987, shall notify the clerk of each municipality of the amounts which shall be applied as property tax credits on property assessed as of January 1 of that year under sub. (7m) and ss. 79.015 (2) (a) and (b), 86.30 (10) and 121.008 (6).

NOTE: Par. (a) is created by 1985 Wis. Act 29, eff. 7-1-87.

(b) 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 credits allocated to the municipality, as stated in the December 1 notification under par. (a) from the department of revenue, except that credits shall be allocated only to those

portions of the municipality that are located in the taxing jurisdiction upon which the payments are based and 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 and except that credit amounts shall be reduced to reflect adjustments specified in ss. 79.02 (4) (b), 86.30 (11) and 121.008 (3) and pars. (f), (g) and (h).

NOTE: Par. (b) is shown as affected by 1985 Wis. Act 29, which states that the amendment of par. (b) (in respect to the credits allocated) takes effect 7-1-87.

(c) The amount of the state property tax credits of particular property taxpayers, as determined under par. (b), shall be set forth in the manner provided in s. 70.665 on the tax bills of those taxpayers issued immediately following the December 1 notification referred to in this subsection and shall reduce the property taxes otherwise payable.

(d) The department of revenue, on or before March 1 of each year, beginning with 1988, shall notify the treasurer of each county of the amounts of credits of which the municipality was notified under par. (a) in December of the preceding year, for each municipality within the county.

NOTE: Pars. (d), (e), (f), (g), (h) and (i) are created by 1985 Wis. Act 29, eff. 7-1-87.

(e) The department of revenue, on or before August 1 of each year, beginning with 1988, shall notify the treasurer of each county of the amount of credits which each municipality within the county applied to tax bills in December of the preceding year, after any adjustments in cases where credits exceeded the amount of taxes levied.

(f) Notwithstanding ss. 79.02 (4) and 86.30 (11), if the sum of the municipal transportation aid entitlement under s. 86.30 (10) (a), after adjustments under s. 86.30 (11) (a) and the municipal shared revenue entitlement under s. 79.015 (2) (a), after adjustments under s. 79.02 (4) (b) exceeds the total property taxes levied for local purposes for that municipality, the municipal shared revenue entitlement and the municipal local transportation aid entitlement shall be reduced. Each entitlement shall be reduced by an amount equal to the amount obtained by dividing the amount in excess by the sum of the 2 entitlements, after adjustments, and multiplying the result by each entitlement, as adjusted under ss. 79.02 (4) (b) and 86.30 (11) (a).

(g) Notwithstanding ss. 79.02 (4) and 86.30 (11), if the sum of the portion of the county local transportation aid entitlement allocated to a municipality under s. 86.30 (10) (b), after adjustments under s. 86.30 (11) (b) and the portion of the county shared revenue aid entitlement allocated to a municipality under s. 79.015 (2) (b), after adjustments under s. 79.02 (4) (c) exceeds the property taxes levied for the county within that municipality, the county shared revenue entitlement and the county local transportation aid entitlement shall be reduced. Each entitlement shall be reduced by an amount equal to the amount obtained by dividing the amount in excess by the sum of the 2 entitlements, after adjustments, and multiplying the result by each entitlement, as adjusted under ss. 79.02 (4) (c) and 86.30 (11) (b).

(h) Notwithstanding ss. 79.02, 86.30 and 121.008 (3), if the sum of all credits applied under this section, after adjustments, exceeds the total property tax levies, minus surplus funds applied against those taxes, as reported to the department of revenue in its statement of taxes, each entitlement shall be reduced. The reduction for each entitlement shall be computed by dividing the total amount in excess by the sum of all the entitlements, after adjustments, and multiplying the result by each entitlement, as adjusted. If the amount determined under subs. (4) and (5) and s. 79.105 exceeds the total property taxes levied, minus surplus funds applied against those taxes, as reported to the department of revenue

in its statement of taxes, minus the amounts by which these entitlements were reduced, the credits under subs. (4) and (5) and s. 79.105 shall be reduced by the amount in excess.

NOTE: Pars. (d), (e), (f), (g), (h) and (i) are created by 1985 Wis. Act 29, eff. 7-1-87.

(i) The department of revenue shall immediately notify the department of transportation and the department of public instruction of any adjustments to be made to their payments under ss. 86.30 and 121.008 (3), respectively, as a result of credits exceeding levies. Any payment adjustments which cannot be made in the current payment year shall be made by adjusting the subsequent year's payment.

History: 1971 c. 125 ss. 412, 521; 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.

79.105 Minimum and maximum payments. (1) MINIMUM PAYMENTS. (a) 1. If the combined payments to any municipality under s. 79.10 (4) and (5) in 1986 are less than 90% of the sum of payments to the municipality in 1985 under this section and s. 79.10, after all adjustments under sub. (4), the municipality has a credits deficiency for 1986. The amount of the credits deficiency is the amount by which 90% of the sum of payments to the municipality in 1985 under this section and s. 79.10, after all adjustments under sub. (4), exceeds the combined payments to the municipality under s. 79.10 (4) and (5) in 1986.

2. If the combined payments to any municipality under s. 79.10 (4) and (5) in 1987 or any year thereafter are less than 90% of the combined payments to the municipality under this section and s. 79.10 (4) and (5) in the previous year, after all adjustments under sub. (4), the municipality has a credits deficiency for that year. The amount of the credits deficiency is the amount by which 90% of the combined payments to the municipality in the previous year under this section and s. 79.10 (4) and (5), after all adjustments under sub. (4), exceed the combined payments to the municipality under s. 79.10 (4) and (5) in the current year.

(b) A municipality that has a credits deficiency shall receive a payment from the amounts withheld under sub. (2) equal to its deficiency.

(2) MAXIMUM PAYMENTS. (a) 1. If the combined payments to a municipality in 1986 under s. 79.10 (4) and (5) exceed the sum of its combined payments in 1985 under this section and s. 79.10, after all adjustments under sub. (4), multiplied by the maximum payment percentage for 1986, the excess shall be withheld to fund minimum payments under sub. (1) (b).

2. Beginning in 1987, if the combined payments to a municipality in the current year under s. 79.10 (4) and (5) exceed the sum of its combined payments in the previous year under this section and s. 79.10 (4) and (5), after all adjustments under sub. (4), multiplied by the maximum payment percentage for the current year, the excess shall be withheld to fund minimum payments under sub. (1) (b).

(b) In this subsection, "maximum payment percentage" means that percentage such that the sum for the current year of the excess payments under par. (a) for all municipalities is equal to the sum for the current year of the credits deficiencies under sub. (1).

(3) ADJUSTMENTS. Notwithstanding sub. (1) (b), if payments under sub. (1) and s. 79.10 (4) and (5), after all adjustments under sub. (4), exceed the municipality's average property tax levies, then that municipality's payments for the current year under sub. (1) and s. 79.10 (4) and (5), after all adjustments under sub. (4), shall be reduced by the amount that payments under sub. (1) and s. 79.10 (4) and (5), after all adjustments under sub. (4), exceed average property tax levies. These reductions shall be distributed among only

those municipalities whose average property tax levies exceed their payments under sub. (1) and s. 79.10 (4) and (5), after all adjustments under sub. (4), and shall be distributed proportionately according to each municipality's share of payments under s. 79.10 (5). In this subsection, "average property tax levies" means the sum of the average school tax levies and average general government levies as defined in s. 79.10 (1).

(4) ADJUSTMENTS DUE TO ANNEXATIONS. If, in the calendar year previous to the assessment year to which the tax credit determined under this subchapter is to apply, a municipality has annexed property that, in total, has an equalized value of more than 5% of the equalized value of the annexing municipality prior to the annexation, as determined under s. 70.57 in the year in which the annexation took place, the amount of the previous year's payment used to calculate the minimum and maximum payments under subs. (1) and (2) shall be increased by the sum of the amounts determined by multiplying the proportion annexed, as defined in s. 79.10 (1) (dm), by the combined payments to each municipality from which the property was annexed under s. 79.10 (4) and (5) and this subsection in that previous year.

History: 1981 c. 93 ss. 154, 155; 1983 a. 27; 1985 a. 4, 29.

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.

79.175 Property tax credit corrections. (2) When a taxpayer has received an excess credit under s. 79.10 or under s. 79.17, 1979 stats., 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 (9) (b) if the excess occurred under s. 79.10, or according to s. 79.17 (3) (b), 1979 stats., if excess occurred under s. 79.17, 1979 stats.

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

79.18 Underpayment of credits. If the credit under s. 79.10 or under s. 79.17, 1979 stats., 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 (9) (a) or under s. 79.17 (3), 1979 stats., 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 (9) (b) if the underpayment occurred under s. 79.10 or under s. 79.17 (3) (b), 1979 stats., if the underpayment occurred under s. 79.17, 1979 stats.

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

79.185 Omitted property. (1) Property entitled to credit under s. 79.10 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.

(2) (a) Prior to 1981, property entitled to credit under s. 79.17, 1979 stats., 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.

(b) Beginning in 1981, property which would have been entitled to credit under s. 79.17, 1979 stats., if it had not been omitted from the assessment roll shall be taxed according to s. 70.44 at the rate prevailing in the year of omission and shall receive the same state credit as other like property received for that year.

History: 1975 c. 39; 1979 c. 34.