

1999 DRAFTING REQUEST

Bill

Received: **01/12/2000**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB: **99-4152**

For: **Frank Lasee (608) 266-9870**

By/Representing: **Mark Wadium**

This file may be shown to any legislator: NO

Drafter: **jkreye**

May Contact:

Alt. Drafters: **champra**

Subject: **Tax - individual income**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

School property tax and rent credit (after 98 and before 2001)

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 01/12/2000	chanaman 01/12/2000		_____			State
/1			kfollet 01/13/2000	_____	lrb-docadmin 01/13/2000	lrb-docadmin 0 1/24/2000	

FE Sent For:

<END>

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FE Sent For:		1/12		<END>			

Mark Madam — Frank Loyee

comparison both to the school property tax
and rent credit

1999 BILL

in 1-12-2000

SOON

WFO
Please Jim
Line
on
request
sheet D-N

refer
act

1 **AN ACT** to amend 71.07 (9) (b) 4. of the statutes; **relating to:** the school property
2 tax and rent credit.

Analysis by the Legislative Reference Bureau

Under current law, for taxable years beginning after December 31, 1998, an individual may not receive a school property tax rent credit for property taxes paid on the individual's principal dwelling, or rent constituting property taxes paid on the individual's principal dwelling, during the taxable year for which the credit is claimed.

Under this bill, for taxable years beginning after December 31, 1998, and before January 1, 2001, an individual may claim and receive a school property tax rent credit for property taxes paid on the individual's principal dwelling, or rent constituting property taxes paid on the individual's principal dwelling, during the taxable year for which the credit is claimed. Under the bill, the credit, which may be claimed up to the amount of the individual's tax liability, is 8.4% of the first \$2,000 of property taxes, or rent constituting property taxes, paid or 8.4% of the first \$1,000 of property taxes, or rent constituting property taxes, paid by a married person filing separately.

The bill also requires that the department of administration propose reductions in sum certain appropriations, or reestimates of expenditures that are made from sum sufficient appropriations, from the general fund for the 1999-2001 biennium and report the proposed reductions or reestimates to the joint committee on finance. The total amount of the reductions or reestimates must be \$410,000,000.

BILL

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 7 1.07 (9) (b) 4. of the statutes, as created by 1999 Wisconsin Act 10,
2 is amended to read:

3 71.07 (9) (b) 4. For taxable years beginning after December 31, 1998 ² and before
4 January 1, 2001. subject to the limitations under this subsection a claimant may
5 claim as a credit against, but not to exceed the amount of, taxes under s. 7 1.02, 8.4%
6 of the first ~~\$0~~ \$2,000 of property taxes or rent constituting property taxes, or 8.4%
7 of the first ~~\$0~~ \$1,000 of property taxes or rent constituting property taxes of a married
8 person filing separately.

9 **SECTION 2. Nonstatutory provisions.**

10 (1) REDUCTIONS OR EXPENDITURE REESTIMATES IN APPROPRIATIONS FOR THE 1999-2001
11 BIENNIIUM.

12 (a) ***Secretary of administration to report proposed reductions or expenditure***
13 ***reestimates in appropriations.*** No later than January 1, 2001, the secretary of
14 administration shall propose reductions in sum certain appropriations in any fund
15 or reestimates of expenditures to be made from sum sufficient appropriations from
16 the general fund for the 1999-2001 biennium in an amount equal to \$410,000,000
17 and shall report these proposed reductions or reestimates to the joint committee on
18 finance.

19 (b) ***Joint committee on finance passive review.*** If the cochairpersons of the joint
20 committee on finance do not notify the secretary of administration that the
21 committee has scheduled a meeting for the purpose of reviewing the proposed

BILL

1 reductions or reestimates reported under paragraph (a) within 14 working days after
2 the date of receiving the report, the secretary of administration shall lapse or
3 transfer the amount of the proposed reductions to the general fund or reestimate the
4 expenditures to be made from the sum sufficient appropriations. If, within 14
5 working days after the date of receiving the report, the cochairpersons of the
6 committee notify the secretary of administration that the committee has scheduled
7 a meeting for the purpose of reviewing the proposed reductions or reestimates
8 reported under paragraph (a), the secretary of administration shall lapse or transfer
9 to the general fund or reestimate the amounts approved by the committee in a total
10 amount equal to the amount specified in paragraph (a) from the appropriations
11 specified by the committee.

SECTION 3. Initial applicability.

12 (1) This act first applies to taxable years beginning on January 1, 1999.
13

14 (END)

DRAFTERS NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4152/1dn
JK&RAC:cmh:km

January 7, 2000

12

Representative Basee

~~Senator Lazich:~~

1. Please review this draft carefully to ensure that it is consistent with your intent. Because the 1999 tax forms have been printed and some tax returns will be filed before the bill becomes law, having the bill first apply to taxable years beginning on January 1, 1999, will likely create administrative problems for the department of revenue.

2. The bill specifies that the secretary of administration must propose reductions or reestimates of appropriations in an amount equal to \$410,000,000. Please note that the secretary of administration will not be able to make reductions from all appropriations. Many appropriations, such as appropriations of federal moneys and appropriations from segregated funds, cannot legally be used to expand the school property tax rent credit. Therefore, most of the reductions or reestimates will be made from appropriations in the general fund.

Joseph T. Kreye
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Rick A. Champagne
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4196/1dn
JK&RAC:cmh:kjf

January 12, 2000

Representative Lasee:

1. Please review this draft carefully to ensure that it is consistent with your intent. Because the 1999 tax forms have been printed and some tax returns will be filed before the bill becomes law, having the bill first apply to taxable years beginning on January 1, 1999, will likely create administrative problems for the department of revenue.

2. The bill specifies that the secretary of administration must propose reductions or reestimates of appropriations in an amount equal to \$410,000,000. Please note that the secretary of administration will not be able to make reductions from all appropriations. Many appropriations, such as appropriations of federal moneys and appropriations from segregated funds, cannot legally be used to expand the school property tax rent credit. Therefore, most of the reductions or reestimates will be made from appropriations in the general fund.

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E-mail: Rick.Champagne@legis.state.wi.us

JAN 13 2000

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 0 1/1 3/2000

To: Representative F. Lasee

Relating to LRB drafting number: LRB-4196

Topic

School property tax and rent credit (after 98 and before 2001)

Subject(s)

Tax - individual income

1. **JACKET** the draft for introduction _____

in the Senate ____ or the Assembly (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached _____.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Joseph T. Kreye, Legislative Attorney
Telephone: (608) 266-2263