

**1999 DRAFTING REQUEST**

**Bill**

Received: **11/6/98**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-8593**

By/Representing: **Holden**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters: **jkreye**

Subject: **Tax - miscellaneous  
Tax - property**

Extra Copies: **Paul Ziegler, DOA**

**Topic:**

DOA:.....Holden - Exempt computers from the ad valorem tax in chapter 76; exempt computerized equipment from personal property tax

**Instructions:**

See Attached. Exempt computers owned by companies taxed under subch. I of ch. 76 (railroads, airlines, pipeline companies, etc.) from the ad valorem tax.

**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>
/P1	shoveme 11/11/98	wjackson 11/13/98	lpaasch 11/13/98	_____	lrb_docadmin 11/13/98		State Tax
/P2	shoveme 12/23/98	gilfokm 12/23/98	ismith 12/28/98	_____	lrb_docadmin 12/28/98		State Tax
/1	shoveme 02/2/99	wjackson 02/2/99	ismith 02/2/99	_____	lrb_docadmin 02/2/99		State Tax
/2	shoveme 02/3/99	gilfokm 02/3/99 jkreye	jfrantze 02/3/99	_____	lrb_docadmin 02/3/99		State Tax

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typist</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		02/4/99 jgeller 02/4/99		_____ _____ _____			
/3			hhagen 02/4/99	_____ _____	gretskl 02/4/99		State Tax

FE Sent For:

<END>

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*1/3 7/4 jg* *2/4* *2/4*

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/1	shoveme 02/2/99	wjackson 02/2/99	ismith 02/2/99	_____	lrb_docadmin 02/2/99		State Tax

12 MES 2/3/99-99  
FE Sent For: *Ring* *Jo 1/3* *Jo 1/3*  
<END>

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Alt. Drafters: jkreye

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See Attached. Exempt computers owned by companies taxed under subch. I of ch. 76 (railroads, airlines, pipeline companies, etc.) from the ad valorem tax.

for reconciliation purposes, folds in JK's 1999 LRB-1839/2

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>
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1 MES & JK 12/2/99  
FE Sent For: King

IS 2/2/99  
IS/KM 2/2/99  
<END>

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May Contact:

Alt. Drafters:

Subject: **Tax - miscellaneous**

Extra Copies: **JK**

**Topic:**

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Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - miscellaneous**

Extra Copies: *JK*

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*1 P2 MES 12/23/98 12-23  
KMS*

*IS  
12/28*

*IS/KM  
12/28*

FE Sent For:

<END>

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May Contact:

Alt. Drafters:

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Extra Copies: **MES 1**

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/P1	shoveme	/P1-11-12 King	11/13 LP.	<del>11/3 LP.</del> km	Submit		
<b>1/P1 MES 11/11/98</b>							

FE Sent For:

<END>



Wisconsin Department of Revenue  
Division of Research and Analysis  
Bureau of Local Fiscal Policy

July 21, 1998

TITLE: Exempt Computers from the Ad Valorem Tax in Chapter 76

#### DESCRIPTION OF CURRENT LAW AND PROBLEM

1997 Wisconsin Act 237 exempted computers from the general property tax. The Act also exempted computers owned by telephone companies taxed under Chapter 76, but computers owned by the other Chapter 76 ad valorem taxpayers--railroads, airlines, pipelines, conservation and regulation companies and municipal electric association projects--were not exempted.

Typically the legislature seeks to achieve uniformity, insofar as practicable, between general property taxes and Chapter 76 ad valorem taxes. Railroads in particular have been quick to challenge state law under the federal 4-R Act when they believe that they have been denied equal treatment under tax laws.

To achieve uniformity insofar as practicable and limit the risk of litigation, computers owned by Chapter 76 ad valorem taxpayers should be exempt.

#### RECOMMENDATION FOR ACTION

Exempt computers owned by companies taxed under subchapter I of Chapter 76.

#### FISCAL/ADMINISTRATIVE IMPACT

Based on Chapter 76 taxpayer reports for 1997, exempting computers owned by railroads and airlines would reduce revenues to the SEG Transportation Fund by about \$60,000. Exempting computers owned by pipelines, conservation and regulation companies and municipal electric association projects would reduce General Purpose Revenues by about \$50,000.

#### DRAFTING INSTRUCTIONS

Amend s. 76.02 (10) to exempt computers that are exempt under s. 70.11(39).

#### EFFECTIVE DATE OR INITIAL APPLICABILITY

January 1, 1999

PERSON TO CONTACT: Ron Rosner, 266-0938

PREPARED BY: Blair P. Kruger, 266-1310

BK:skr  
t:\bud\advalorem.bud.doc



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0756/P1

MES. / ...  
WJ Elmy

DOA:.....Holden - Exempt computers from the ad valorem tax in chapter 76  
FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

D-NOTE

SOON

NO MIT  
GIVE

1 AN ACT ... relating to: exempting computers from the ad valorem tax for certain  
2 ad valorem taxpayers.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

Under current law, computers are exempted from the general property tax paid by businesses. Also under current law, computers owned by telephone companies, which are ad valorem taxpayers, are exempted from the ad valorem tax.

This bill exempts from ad valorem taxation computers owned by other ad valorem taxpayers, such as railroads, airlines, pipeline companies, conservation and regulation companies, and municipal electric association projects.

TAX EXM  
FE-S

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

3 SECTION 1. 76.025 (1) of the statutes is amended to read:  
4 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and  
5 all real and personal property of the company used or employed in the operation of

1 its business, ~~except~~ excluding property that is exempt from the property tax under  
2 s. 70.11 (39), such motor vehicles as are exempt under s. 70.112 (5) and treatment  
3 plant and pollution abatement equipment exempt under s. 70.11 (21) (a). The  
4 taxable property shall include all title and interest of the company referred to in such  
5 property as owner, lessee or otherwise, and in case any portion of the property is  
6 jointly used by 2 or more companies, the unit assessment shall include and cover a  
7 proportionate share of that portion of the property jointly used so that the  
8 assessments of the property of all companies having any rights, title or interest of  
9 any kind or nature whatsoever in any such property jointly used shall, in the  
10 aggregate, include only one total full value of such property.

History: 1997 a. 35 ss. 267 to 269, 271, 272.

11 **SECTION 9443. Effective dates; revenue.**

12 (1) AD VALOREM TAXPAYERS, COMPUTER EXEMPTION. The treatment of section  
13 76.025 (1) of the statutes takes effect on January 1, 1999.

14 (END)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0756/P1dn

MES. f. ....

*Wij & King*

This bill is drafted according to your instructions in that it takes effect on January 1, 1999. Although 1997 Wisconsin Act 237 contains a similar effective date provision for the treatment of s. 71.81, which provides an exemption from the ad valorem tax for computers owned by telephone companies, isn't it more common for such provisions to contain an initial applicability provision related to a taxable year that begins on January 1? If you decide to stay with the January 1, 1999 effective date, might a retroactivity problem arise if the budget does not pass until late ~~in~~ 1999?

f

①  
Marc E. Shovers  
Senior Legislative Attorney  
266-0129

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0756/P1dn  
MES:wlj&kmg:lp

November 13, 1998

This bill is drafted according to your instructions in that it takes effect on January 1, 1999. Although 1997 Wisconsin Act 237 contains a similar effective date provision for the treatment of s. 71.81, which provides an exemption from the ad valorem tax for computers owned by telephone companies, isn't it more common for such provisions to contain an initial applicability provision related to a taxable year that begins on January 1? If you decide to stay with the January 1, 1999, effective date, might a retroactivity problem arise if the budget does not pass until late 1999?

Marc E. Shovers  
Senior Legislative Attorney  
266-0129

**Shovers, Marc**

---

**From:** Holden, Kerry [Kerry.Holden@doa.state.wi.us]  
**Sent:** Friday, December 18, 1998 2:42 PM  
**To:** Shovers, Marc  
**Subject:** FW: LRB Draft: 99-0756/P1



COMMEN-1.DOC

Attached are the comments I received from DOR on the above-noted draft. I thought I would just send them on to you. Please let me know if you have any questions.

Kerry Holden  
266-8593

> -----Original Message-----  
> From: rrosner@mail.state.wi.us [SMTP:rrosner@mail.state.wi.us]  
> Sent: Friday, December 18, 1998 11:14 AM  
> To: EMX -KerryHo1 (052)  
> Cc: "bkruger(a)mail.state.wi.us"; "ebraun(a)mail.state.wi.us"  
> Subject: RE: LRB Draft: 99-0756/P1  
>  
>  
> [[ COMMEN~1.DOC : 4099 In COMMEN~1.DOC ]]  
>  
>  
>  
> Kerry.  
> Here's our reply to your inquiry about 0795.  
> Note that our division administrator has not yet reviewed the foregoing so  
> please consider it tentative until she has seen it, on Monday.  
> Ron  
>  
> -----Original Message-----  
> From: KerryHolden  
> Sent: Monday, December 14, 1998 3:59 PM  
> To: Rosner, Ron; 'rrosner@mail.state.wi.us'  
> Subject: FW: LRB Draft: 99-0756/P1  
>  
> ~~~~~  
> ~~~~~  
> Attached is a draft of the statutory language you wanted submitted in the  
> budget. I just thought I would send you a copy of this draft. Please let  
> me know if you have any requested changes.  
>  
> Thank you-  
> Kerry Holden  
> Tax, Finance Local Government Team  
> State Budget Office  
> 266-8593  
>  
>  
>> <<99-0756/P1>> <<99-0756/P1dn>> << File: 990756P.pdf >> << File:  
> 9907561.pdf >> <<COMMEN~1.DOC>>

Review of LRB-0756/P1 exempting chapter 76 ad valorem taxpayers' computers

1. The proposed amendment to s. 76.025(1) is fine but s. 76.03(1) also needs to be amended to delete the new (1997 Act 237) language that was intended to make it absolutely clear that for ad valorem utilities, except telephone companies, computers were to remain taxable. The change is straightforward and shown below:

76.03 Unit assessment and situs for taxation. (1) The property, both real and personal, including all rights, franchises and privileges used in and necessary to the prosecution of the business ~~and including property that is exempt from the property tax under s. 70.11 (39)~~ of any company enumerated in s. 76.02 shall be deemed personal property for the purposes of taxation, and shall be valued and assessed together as a unit.

2. Marc Shovers asks whether there will be a problem if the exemption is retroactive to January 1, 1999 and the budget passes late in the year. An effective date of January 1, 2000 would be okay but 1999 would also work.

Regardless of when the budget passes, if computers are exempt as of January 1, 1999, the Department will have to obtain information about an ad valorem taxpayer's computers in a filing separate from the taxpayer's annual report to the Department. Since annual reports are due April 15 or May 1, depending on the type of company, taxpayers will not be able to include information regarding newly exempt computers in their annual reports.

The separate filing would be the response to a letter from the Department asking each ad valorem taxpayer the book value of its computers located in Wisconsin. Although the Department's assessments of ad valorem taxpayers' are completed by August 1 or September 15, depending on the type of company, they could be adjusted later for exempt computers. If the budget is not passed until after taxpayers' November tax payments, refunds will be calculated. So, an effective date of January 1, 1999 would work.

3. Also, Marc Shovers points out that initial applicability provisions related to a taxable year that begins on January 1 are common. This may be true, especially for income tax provisions. However, such provisions are not relevant to chapter 76 ad valorem taxes or general property taxes since such taxes are administered on a calendar year schedule that is independent of the taxpayer's taxable year. For example, that the computer exemption under 1997 Act 237 "takes effect on January 1, 1999".



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0756/PF  
MES:wj&kmg(1)

MR

DOA:.....Holden - Exempt computers from the ad valorem tax in chapter 76  
FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

SOON

do not gen

1 AN ACT ... relating to: exempting computers from the ad valorem tax for certain  
2 ad valorem taxpayers.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

Under current law, computers are exempted from the general property tax paid by businesses. Also under current law, computers owned by telephone companies, which are ad valorem taxpayers, are exempted from the ad valorem tax.

This bill exempts from ad valorem taxation computers owned by other ad valorem taxpayers, such as railroads, airlines, pipeline companies, conservation and regulation companies' and municipal electric association projects.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this 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:*

3 SECTION 1. 76.025 (1) of the statutes is amended to read:



1 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and  
 2 all real and personal property of the company used or employed in the operation of  
 3 its business, ~~except excluding property that is exempt from the property tax under~~  
 4 s. 70.11 (39), such motor vehicles as are exempt under s. 70.112 (5) and treatment  
 5 plant and pollution abatement equipment exempt under s. 70.11 (21) (a). The  
 6 taxable property shall include all title and interest of the company referred to in such  
 7 property as owner, lessee or otherwise, and in case any portion of the property is  
 8 jointly used by 2 or more companies, the unit assessment shall include and cover a  
 9 proportionate share of that portion of the property jointly used so that the  
 10 assessments of the property of all companies having any rights, title or interest of  
 11 any kind or nature whatsoever in any such property jointly used shall, in the  
 12 aggregate, include only one total full value of such property.

INS  
2-18

**SECTION 9443. Effective dates; revenue.**

14 (1) AD VALOREM TAXPAYERS, COMPUTER EXEMPTION. The treatment of sections  
 15 76.025 (1) <sup>and 76.03 (1)</sup> of the statutes takes effect on January 1, 1999.

(END)

16

INS. 2-12

Section #. 76.03 (1) of the statutes is amended to read:

76.03 (1) The property, both real and personal, including all rights, franchises and privileges used in and necessary to the prosecution of the business ~~and including property that is exempt from the property tax under s. 70.11 (39)~~ of any company enumerated in s. 76.02 shall be deemed personal property for the purposes of taxation, and shall be valued and assessed together as a unit.

History: 1977 c. 418; 1979 c. 102 s. 236 (1); 1983 a. 27; 1997 a. 237.



State of Wisconsin  
1999 - 2000 LEGISLATURE

GJK - 0091  
LRB-0756/2  
MES/wlj&kmg/asm

FMR

DOA:.....Holden - Exempt computers from the ad valorem tax in chapter 76;

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

P-NOTE

changed on request  
exempt computerized equipments from personal property tax

This bill reconciles LRB-0756/2 and LRB-1839/2. It replaces LRB-1839/2 in the compiled bill, MESA

Holden

- 1 AN ACT, relating to: exempting computers from the ad valorem tax for certain
- 2 ad valorem taxpayers, and exempting computerized equipments from the personal property tax

Analysis by the Legislative Reference Bureau

TAXATION

OTHER TAXATION

Under current law, computers are exempted from the general property tax paid by businesses. Also under current law, computers owned by telephone companies, which are ad valorem taxpayers, are exempted from the ad valorem tax.

This bill exempts from ad valorem taxation computers owned by other ad valorem taxpayers, such as railroads, airlines, pipeline companies, conservation and regulation companies' and municipal electric association projects.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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

INS ANL

INS L-3

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

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1            76.025 (1) The property taxable under s. 76.13 shall include all franchises, and  
 2 all real and personal property of the company used or employed in the operation of  
 3 its business, ~~except excluding property that is exempt from the property tax under~~  
 4 ~~s. 70.11 (39), such motor vehicles as are exempt under s. 70.112 (5) and treatment~~  
 5 plant and pollution abatement equipment exempt under s. 70.11 (21) (a). The  
 6 taxable property shall include all title and interest of the company referred to in such  
 7 property as owner, lessee or otherwise, and in case any portion of the property is  
 8 jointly used by 2 or more companies, the unit assessment shall include and cover a  
 9 proportionate share of that portion of the property jointly used so that the  
 10 assessments of the property of all companies having any rights, title or interest of  
 11 any kind or nature whatsoever in any such property jointly used shall, in the  
 12 aggregate, include only one total full value of such property.

SECTION 2. 76.03 (1) of the statutes is amended to read:

14            76.03 (1) The property, both real and personal, including all rights, franchises  
 15 and privileges used in and necessary to the prosecution of the business ~~and including~~  
 16 ~~property that is exempt from the property tax under s. 70.11 (39)~~ of any company  
 17 enumerated in s. 76.02 shall be deemed personal property for the purposes of  
 18 taxation, and shall be valued and assessed together as a unit.

SECTION 9443. Effective dates; revenue.

20            (1) AD VALOREM TAXPAYERS, COMPUTER EXEMPTION. The treatment of sections  
 21 76.025 (1) and 76.03 (1) of the statutes takes effect ~~on~~ <sup>retroactively to</sup> January 1, 1999.

INS  
2-28-99

(END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1839/2

JK:jljgf

2

DOA:.....Ziegler - Exempt computerized equipment from personal property tax

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

~~Analysis by the Legislative Reference Bureau~~

**TAXATION**

**PROPERTY TAXATION**

§ This bill creates a personal property tax exemption for fax machines, copiers, cash registers and automated teller machines.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* 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:~~

§ SECTION 1. 70.11 (40) of the statutes is created to read:

70.11 (40) COMPUTERIZED EQUIPMENT. Fax machines, copiers, cash registers and automated teller machines.

FNS  
ANL

INS  
1-3  
2  
3  
4

1 SECTION 2. 76.025 (1) of the statutes is amended to read:

2 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and  
3 all real and personal property of the company used or employed in the operation of  
4 its business, except such motor vehicles as are exempt under s. 70.112 (5) and,  
5 treatment plant and pollution abatement equipment exempt under s. 70.11 (21) (a)  
6 and computerized equipment exempt under s. 70.11 (40). The taxable property shall  
7 include all title and interest of the company referred to in such property as owner,  
8 lessee or otherwise, and in case any portion of the property is jointly used by 2 or more  
9 companies, the unit assessment shall include and cover a proportionate share of that  
10 portion of the property jointly used so that the assessments of the property of all  
11 companies having any rights, title or interest of any kind or nature whatsoever in any  
12 such property jointly used shall, in the aggregate, include only one total full value  
13 of such property.

14 SECTION 9443. Effective dates; revenue. ✓

15 #  
16 (1) COMPUTERIZED EQUIPMENT. The treatment of section 70.11 (40) of the statutes  
17 takes effect on the January 1 after publication.

(END)

INS.  
2-22

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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0756/1dn  
MES:wj&kmg&jlg:ijs

February 2, 1999

This bill reconciles LRB-0756/P2 and LRB-1839/2. It replaces LRB-1839/2 in the compiled bill.

Marc E. Shovers  
Senior Legislative Attorney  
Phone: (608) 266-0129  
E-mail: [Marc.Shovers@legis.state.wi.us](mailto:Marc.Shovers@legis.state.wi.us)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0756/2

MES&JK:wlj&kmg&jlg:ijs

4045 (FMA)

DOA:.....Holden - Exempt computers from the ad valorem tax in chapter 76;  
exempt computerized equipment from personal property tax

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

Q-note

don't gen

- 1 AN ACT *...*, relating to: exempting computers from the ad valorem tax for certain
- 2 ad valorem taxpayers and exempting computerized equipment from the
- 3 personal property tax.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

Under current law, computers are exempted from the general property tax paid by businesses. Also under current law, computers owned by telephone companies, which are ad valorem taxpayers, are exempted from the ad valorem tax.

This bill exempts from ad valorem taxation computers owned by other ad valorem taxpayers, such as railroads, airlines, pipeline companies, conservation and regulation companies' and municipal electric association projects.

This bill creates a personal property tax exemption for fax machines, copiers, cash registers and automated teller machines.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this 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. 70.11 (40) of the statutes is created to read:

2 70.11 (40) COMPUTERIZED EQUIPMENT: Fax machines, copiers, cash registers and  
3 automated teller machines.

4 SECTION 2. 76.025 (1) of the statutes is amended to read:

5 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and  
6 all real and personal property of the company used or employed in the operation of  
7 its business, ~~except excluding property that is exempt from the property tax under~~  
8 s. 70.11 (39), such motor vehicles as are exempt under s. 70.112 (5), computerized  
9 equipment exempt under s. 70.11 (40) and treatment plant and pollution abatement  
10 equipment exempt under s. 70.11 (21) (a). The taxable property shall include all title  
11 and interest of the company referred to in such property as owner, lessee or  
12 otherwise, and in case any portion of the property is jointly used by 2 or more  
13 companies, the unit assessment shall include and cover a proportionate share of that  
14 portion of the property jointly used so that the assessments of the property of all  
15 companies having any rights, title or interest of any kind or nature whatsoever in any  
16 such property jointly used shall, in the aggregate, include only one total full value  
17 of such property.

18 SECTION 3. 76.03 (1) of the statutes is amended to read:

19 76.03 (1) The property, both real and personal, including all rights, franchises  
20 and privileges used in and necessary to the prosecution of the business ~~and including~~  
21 ~~property that is exempt from the property tax under s. 70.11 (39)~~ of any company

1 enumerated in s. 76.02 shall be deemed personal property for the purposes of  
2 taxation, and shall be valued and assessed together as a unit.

3 **SECTION 9443. Effective dates; revenue.**

4 (1) AD VALOREM TAXPAYERS, COMPUTER EXEMPTION. The treatment of sections  
5 76.025 (1) ~~and~~ 76.03 (1) <sup>and 76.81</sup> of the statutes takes effect retroactively to January 1, 1999.

6 (2) COMPUTERIZED EQUIPMENT. The treatment of section 70.11 (40) of the statutes  
7 takes effect on the January 1 after publication.

8 (END)

INS.  
3

1       **SECTION 2.** 76.025 (1) of the statutes is amended to read:

2       76.025 (1) The property taxable under s. 76.13 shall include all franchises, and  
3       all real and personal property of the company used or employed in the operation of  
4       its business, except such motor vehicles as are exempt under s. 70.112 (5) and,  
5       treatment plant and pollution abatement equipment exempt under s. 70.11 (21) (a)  
6       and computerized equipment exempt under s. 70.11 (40). The taxable property shall  
7       include all title and interest of the company referred to in such property as owner,  
8       lessee or otherwise, and in case any portion of the property is jointly used by 2 or more  
9       companies, the unit assessment shall include and cover a proportionate share of that  
10       portion of the property jointly used so that the assessments of the property of all  
11       companies having any rights, title or interest of any kind or nature whatsoever in any  
12       such property jointly used shall, in the aggregate, include only one total full value  
13       of such property.

INS. 3-3

14       **SECTION 3.** 76.81 of the statutes is amended to read:

15       **76.81 Imposition.** There is imposed a tax on the real property of, and the  
16       tangible personal property of, every telephone company, excluding property that is  
17       exempt from the property tax under s. 70.11 (39), motor vehicles that are exempt  
18       under s. 70.112 (5) and, treatment plant and pollution abatement equipment that is  
19       exempt under s. 70.11 (21) (a) and computerized equipment <sup>that is</sup> exempt under s. 70.11  
20       (40). Except as provided in s. 76.815, the rate for the tax imposed on each description  
21       of real property and on each item of tangible personal property is the net rate for the  
22       prior year for the tax under ch. 70 in the taxing jurisdictions where the description  
23       or item is located.

24       **SECTION 9443. Effective dates, revenue.**

1  
2  
3

(1) ~~COMPUTERIZED EQUIPMENT.~~ The treatment of section 70.11(40) of the statutes takes effect on the January 1 after publication.

(END)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0756/1-2  
MES: ~~1/2~~ kmg:ijs

February 3 1999

This bill reconciles LRB-0756/P2 and LRB-1839/2. It replaces LRB-1839/2 in the compiled bill.

Marc E. Shovers  
Senior Legislative Attorney  
Phone: (608) 266-0129  
E-mail: Marc.Shovers@legis.state.wi.us

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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0756/2dn  
MES:kmg:jf

February 3, 1999

This bill reconciles LRB-0756/P2 and LRB-1839/3. It replaces LRB-1839/3 in the compiled bill.

Marc E. Shovers  
Senior Legislative Attorney  
Phone: (608) 266-0129  
E-mail: [Marc.Shovers@legis.state.wi.us](mailto:Marc.Shovers@legis.state.wi.us)

## Kreye, Joseph

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**From:** Ziegler, Paul  
**Sent:** Thursday, February 04, 1999 3:26 PM  
**To:** Shovers, Marc; Kreye, Joseph  
**Cc:** Holden, Kerry  
**Subject:** Computerized Equipment ATM exemption -- now in draft 0756/2

Marc and Joe:

I need one very minor change (that was in one draft but accidentally got omitted when a prior version was subsumed into one of Kerry's draft).

Here is the change:

In Kerry's draft 0756/2 (which replaced my 1839/3), make the following change:

Page 2, line 3 -- change "automated" to "automatic".

This also appears on page 553 line 13 of the sprint (2079/p2).

Thank you.



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0756/2  
MES&JK:wlj/kmg/jlg:jf

SOON TODAY

JK

DOA:.....Holden - Exempt computers from the ad valorem tax in chapter 76;  
exempt computerized equipment from personal property tax

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

do not gen

- 1 AN ACT ...; relating to: exempting computers from the ad valorem tax for certain
- 2 ad valorem taxpayers and exempting computerized equipment from the
- 3 personal property tax.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

Under current law, computers are exempted from the general property tax paid by businesses. Also under current law, computers owned by telephone companies, which are ad valorem taxpayers, are exempted from the ad valorem tax.

This bill exempts from ad valorem taxation computers owned by other ad valorem taxpayers, such as railroads, airlines, pipeline companies, conservation and regulation companies' and municipal electric association projects.

This bill creates a personal property tax exemption for fax machines, copiers, cash registers and ~~automatic~~ teller machines.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

automatic ✓



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.** 70.11 (40) of the statutes is created to read:

2           70.11 (40) COMPUTERIZED EQUIPMENT. Fax machines, copiers, cash registers and  
3 ~~automated~~ teller machines.  
4                           *automatic* ✓

5           **SECTION 2.** 76.025 (1) of the statutes is amended to read:

6           76.025 (1) The property taxable under s. 76.13 shall include all franchises, and  
7 all real and personal property of the company used or employed in the operation of  
8 its business, ~~except excluding property that is exempt from the property tax under~~  
9 ~~s. 70.11 (39), such motor vehicles as are exempt under s. 70.112 (5), computerized~~  
10 ~~equipment exempt under s. 70.11 (40) and treatment plant and pollution abatement~~  
11 ~~equipment exempt under s. 70.11 (21) (a). The taxable property shall include all title~~  
12 ~~and interest of the company referred to in such property as owner, lessee or~~  
13 ~~otherwise, and in case any portion of the property is jointly used by 2 or more~~  
14 ~~companies, the unit assessment shall include and cover a proportionate share of that~~  
15 ~~portion of the property jointly used so that the assessments of the property of all~~  
16 ~~companies having any rights, title or interest of any kind or nature whatsoever in any~~  
17 ~~such property jointly used shall, in the aggregate, include only one total full value~~  
18 ~~of such property.~~

19           **SECTION 3.** 76.03 (1) of the statutes is amended to read:

20           76.03 (1) The property, both real and personal, including all rights, franchises  
21 and privileges used in and necessary to the prosecution of the business ~~and including~~  
~~property that is exempt from the property tax under s. 70.11 (39) of any company~~

1 enumerated in s. 76.02 shall be deemed personal property for the purposes of  
2 taxation, and shall be valued and assessed together as a unit.

3 **SECTION 4.** 76.81 of the statutes is amended to read:

4 **76.81 Imposition.** There is imposed a tax on the real property of, and the  
5 tangible personal property of, every telephone company, excluding property that is  
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10 description of real property and on each item of tangible personal property is the net  
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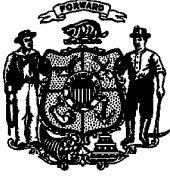
13 **SECTION 9443. Effective dates; revenue.**

14 (1) AD VALOREM TAXPAYERS, COMPUTER EXEMPTION. The treatment of sections  
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19

(END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0756/3  
MES&JK:wlj/kmg/jlg:hmh

DOA:.....Holden – Exempt computers from the ad valorem tax in chapter 76;  
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FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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8 ~~s. 70.11 (39)~~, such motor vehicles as are exempt under s. 70.112 (5), ~~computerized~~  
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