

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-AB133)**

Received: **05/14/99**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau 6-9916**

By/Representing: **Olin**

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

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - property**

Extra Copies:

**Pre Topic:**

LFB:.....Olin -

**Topic:**

Exclude federal income tax credits to owners of low-income, rental housing from the assessor's considerations to determine assessed value of property

**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>
/1	jkreye 05/17/99	gilfokm 05/18/99	mclark 05/20/99	_____	lrb_docadmin 05/20/99		

FE Sent For:

<END>

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/?	jkreye	11-5-18-99 KMG	5/19 MRC	5/19 MRC/KM			

FE Sent For:

<END>

in 16-0

Representative Riley

**SHARED REVENUE AND TAX RELIEF -- PROPERTY TAXATION**

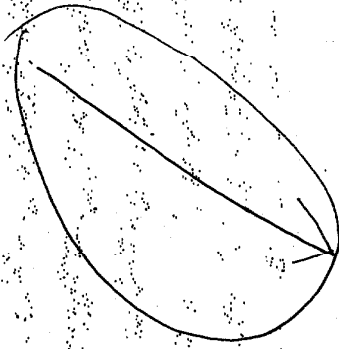
**Assessment of Low-Income Rental Housing**

**Motion:**

Move to modify provisions in state law related to procedures for valuing real estate to require local assessors to exclude federal income tax credits extended under Section 42 of the Internal Revenue Code to owners of low-income, rental housing from calculations related to the value of that housing, effective with property assessed as of January 1, 2000.

**Note:**

Like other properties, federally-subsidized rental housing is assessed using the sales comparison, cost or income approaches to property valuation. However, in the Wisconsin Property Assessment Manual, DOR states that the income approach is often the most useful method for valuing subsidized housing. Under the income approach, the present value of the property is determined from the estimated future income of the property. By including federal income tax credits in the measure of income, a higher property value results. The treatment of federal income tax credits in the valuation of subsidized housing varies between municipalities, according to assessors and DOR staff. By requiring assessors to either include or exclude the credits when valuing subsidized housing, more uniform treatment would result. This motion would require the exclusion of these credits, which would result in lower value for this property in the municipalities that currently include these credits in making assessments.



Post-It® Fax Note	7671	Date	13 May	# of pages	3
To	Joe Kreye	From	R. Olin		
Co./Dept.	LRB	Co.			
Phone #		Phone #	6-9916		
Fax #		Fax #			

Motion #326

1 sanitary district; lands belonging to cities of any other state used for public parks;  
2 land tax-deeded to any county or city before January 2; but any residence located  
3 upon property owned by the county for park purposes which is rented out by the  
4 county for a nonpark purpose shall not be exempt from taxation. Except as to land  
5 acquired under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after  
6 August 17, 1961, to any such governmental unit or for its benefit while the grantor  
7 or others for his or her benefit are permitted to occupy the land or part thereof in  
8 consideration for the conveyance. Leasing the property exempt under this  
9 subsection, regardless of the lessee and the use of the leasehold income, does not  
10 render that property taxable.

11 **SECTION 1653.** 70.11 (35) of the statutes is amended to read:

12 **70.11 (35) CULTURAL AND ARCHITECTURAL LANDMARKS.** Property described in s.  
13 **234.935 (1), 1997 stats.**

14 **SECTION 1654.** 70.11 (40) of the statutes is created to read:

15 **70.11 (40) COMPUTERIZED EQUIPMENT.** Fax machines, copiers, cash registers and  
16 automatic teller machines.

17 **SECTION 1655.** 70.114 (1) (c) of the statutes is amended to read:

18 **70.114 (1) (c) "Land"** means state forests, as defined in s. 28.02 (1), that are  
19 acquired after December 31, 1991, state parks that are acquired after  
20 December 31, 1991, under s. 27.01 and other areas that are acquired after  
21 December 31, 1991, under s: 23.09 (2) (d), 23.091, 23.0912, 23.27, 23.29, 23.293,  
22 23.31 or 29.749 (1).

23 **SECTION 1656.** 70.36 (1m) of the statutes is amended to read:

*insert section 1655m - amend 70.32 (1g)*



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0318/

JK: King

RMR

m 5-17-99

LFB:.....Olin – Exclude federal income tax credits to owners of low-income, rental housing from the assessor’s considerations to determine assessed value of property

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

SOON

wpo: Fitz Request sheet.

1 At the locations indicated, amend the bill as follows:

2 1. Page 827, line 22: after that line insert:

3 “SECTION 1655m. 70.32 (1g) of the statutes is amended to read:

4 70.32 (1g) In addition to the factors set out in sub. (1), the assessor shall  
5 consider the effect on the value of the property of any zoning ordinance under s.  
6 59.692, 61.351 or 62.231, any conservation easement under s. 700.40, any  
7 conservation restriction under an agreement with the federal government and any  
8 restrictions under ch. 91. Beginning with the property tax assessments as of  
9 January 1, 2000, the assessor shall not consider the effect on the value of the property

may

*Code*

1 of any federal income tax credit that is extended to the property owner under section  
2 42 of the Internal Revenue Code.”

3 (END)



State of Wisconsin  
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LRBb0318/1  
JK:kmg:mrc

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