



BILL SUMMARY

AB 894/SB 423: Providing Lottery & Gaming Credits

Date: XXXXXX, 2000

BACKGROUND

Under current law, a property owner may claim the lottery and gaming property tax credit against the property taxes on the owner's property, if the property is used as the owner's primary residence. If a person is eligible for the credit but the property tax bill does not reflect the credit; they may apply to the treasurer of the taxation district for the credit by January 31st.

SUMMARY OF AB 894/SB 423

Under AB 894, a person may apply for the lottery and gaming credit until October 1st. If the application is after January 31st, the application must be sent to the Department of Revenue and the Department then issues a check to the applicant for the credit amount.

AMENDMENTS

None.

FISCAL EFFECT

A fiscal estimate prepared by the Department of Revenue indicates that there would be a minimal increase in costs to the Department but that those costs could be absorbed by the Department's current budget.

PROS

The legislation would allow the taxpayers of Wisconsin additional time to apply for and receive a lottery and gaming credit provided they meet all requirements. The legislation does not change the eligibility requirements for the credit, only the deadline for applying.

CONS

None apparent.

SUPPORTERS

Rep. Michael Lehman, author; Sen. Russ Decker, lead co-sponsor; Wisconsin Department of Revenue.

OPPOSITION

None.

HISTORY

Assembly Bill 894 was introduced on March 20, 2000, and referred to the Assembly Committee on Ways and Means. A public hearing was held on March 22, 2000. On March 22, 2000, the Committee voted 12-1-3 [Rep. Morris-Tatum no; Reps. Ainsworth, Jeskewitz and Turner absent;] to recommend passage of AB 894.

CONTACT: Andrew Nowlan, Office of Rep. Michael Lehman



State of Wisconsin • DEPARTMENT OF REVENUE

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Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

Date: March 9, 2000
To: Senate Economic Development Committee
From: Tom Ourada, Executive Assistant
Subject: SB 423 – Providing Lottery and Gaming Credits After January 31st
#13 884

Thank you for your consideration of SB 423, legislation that provides property taxpayers with the opportunity to claim the Lottery and Gaming Credit after January 31st.

Bill Summary

Under current law, lottery and gaming credits are generally extended to properties through a claim procedure whereby a property owner attests that as of the certification date, the claimant owned the property and used it as a primary residence. Recent home buyers may claim the credit if the previous owner used the property as a primary residence as of the certification date.

In most cases, property owners claim the credit early in the year through the precertification process. If a property tax bill does not reflect the credit, a property owner may claim until January 31.

There are situations in which a property owner may not realize until after the January 31 deadline that his property tax bill did not reflect the credit or that he was required to claim the credit. For example, a property owner may not have received the credit application because of errors in the mailing information. Property owners may not be aware that the property tax bill did not include the credit if their bank paid the property tax bill directly. Even though the properties qualified, these claimants will not receive the credit if they fail to apply by January 31. This creates taxpayer frustration and often leads to pressure on the treasurers, legislators and the Department of Revenue (DOR) to make exceptions for those claims.

The bill extends the deadline for those claimants who failed to claim by January 31. Claims made after January 31 are administered by DOR, thereby relieving the county and local treasurers of any additional work.

Other Points to Consider

- The bill does not change the eligibility requirements for the credit, only the deadline for applying. The bill is not expected to significantly increase the number of claims made in any given year; however, it does allow those claims for eligible property that "fall through the cracks". Often, these types of claims were not timely made due to circumstances beyond the claimants' control.
- The bill will reduce taxpayer frustration and pressure on treasurers administering the credit.
- Several counties use an alternative procedure other than a claim procedure for extending the credit to eligible properties. It is unfair to deny a credit to eligible properties in some counties for failure to claim by a specific date while in other counties property owners may not have even been required to officially apply for the credit in order to receive it.
- DOR administrative costs related to issuing credits after January 31st are expected to be minimal.
- The bill will result in a small increase in the total number of credits extended in any given year. Funding these additional credits will slightly reduce the amount available for credits in the subsequent year.



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Tommy G. Thompson
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DOR Testimony for Assembly Committee on Ways and Means Wednesday, March 22, 2000

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