

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2001 ASSEMBLY BILL 577**

January 16, 2002 – Offered by COMMITTEE ON WAYS AND MEANS.

1     **AN ACT** *to renumber and amend* 71.07 (9) (b) 1.; *to amend* 71.07 (9) (a) 3., 71.07  
2           (9) (b) 2. and 71.07 (9) (b) 5.; and *to create* 71.07 (9) (b) 1. a. and b. of the  
3           statutes; **relating to:** authorizing claims under the school property tax rent  
4           credit for property taxes paid in the year before the year in which they are due.

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

5           **SECTION 1.** 71.07 (9) (a) 3. (intro.) of the statutes is created to read:

6           71.07 **(9)** (a) 3. (intro.) “Property taxes” means one of the following:

7           **SECTION 2.** 71.07 (9) (a) 3. of the statutes is renumbered 71.07 (9) (a) 3. a. and  
8           amended to read:

9           71.07 **(9)** (a) 3. a. “Property taxes” means For taxable years beginning before  
10           January 1, 2002, real and personal property taxes, exclusive of special assessments,  
11           delinquent interest, and charges for service, paid by a claimant on the claimant’s  
12           principal dwelling during the taxable year for which credit under this subsection is

1 claimed, less any property taxes paid which are properly includable as a trade or  
2 business expense under section 162 of the internal revenue code. If the principal  
3 dwelling on which the taxes were paid is owned by 2 or more persons or entities as  
4 joint tenants or tenants in common or is owned by spouses as marital property,  
5 “property taxes” is that part of property taxes paid that reflects the ownership  
6 percentage of the claimant. If the principal dwelling is sold during the taxable year,  
7 the “property taxes” for the seller and buyer shall be the amount of the tax prorated  
8 to each in the closing agreement pertaining to the sale or, if not so provided for in the  
9 closing agreement, the tax shall be prorated between the seller and buyer in  
10 proportion to the months of their respective ownership. ~~“Property~~ In this subd. 3. a.,  
11 “property taxes” includes monthly parking permit fees in respect to a principal  
12 dwelling collected under s. 66.0435 (3) (c).

13 **SECTION 3.** 71.07 (9) (a) 3. b. of the statutes is created to read:

14 71.07 **(9)** (a) 3. b. For taxable years beginning after December 31, 2001, real and  
15 personal property taxes, exclusive of special assessments, delinquent interest, and  
16 charges for service, paid by a claimant on the claimant’s principal dwelling during  
17 the taxable year for which credit under this subsection is claimed and the real and  
18 personal property taxes, exclusive of special assessments, delinquent interest, and  
19 charges for service paid during that same calendar year by a claimant on the  
20 claimant’s principal dwelling during the year before the taxable year in which such  
21 taxes are due if those payments in the previous year were not used in calculating the  
22 credit under this subsection, less any property taxes paid which are properly  
23 includable as a trade or business expense under section 162 of the Internal Revenue  
24 Code. If the principal dwelling on which the taxes were paid is owned by 2 or more  
25 persons or entities as joint tenants or tenants in common or is owned by spouses as

1 marital property, “property taxes” is that part of property taxes paid that reflects the  
2 ownership percentage of the claimant. If the principal dwelling is sold during the  
3 taxable year, the “property taxes” for the seller and buyer shall be the amount of the  
4 tax prorated to each in the closing agreement pertaining to the sale or, if not so  
5 provided for in the closing agreement, the tax shall be prorated between the seller  
6 and buyer in proportion to the months of their respective ownership. In this subd.  
7 3. b., “property taxes” includes monthly parking permit fees in respect to a principal  
8 dwelling collected under s. 66.0435 (3) (c).

9 **SECTION 4.** 71.07 (9) (b) 1. of the statutes is amended to read:

10 71.07 (9) (b) 1. Subject to the limitations under this subsection and except as  
11 provided in subds. 2., 4. ~~and~~ 5., and 6., a claimant may claim as a credit against, but  
12 not to exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of property  
13 taxes or rent constituting property taxes, or 10% of the first \$1,000 of property taxes  
14 or rent constituting property taxes of a married person filing separately.

15 **SECTION 5.** 71.07 (9) (b) 6. of the statutes is created to read:

16 71.07 (9) (b) 6. For taxable years beginning after December 31, 2001, if a  
17 claimant’s property taxes that are paid in one calendar year constitute taxes paid by  
18 the claimant during the taxable year for which the credit is claimed and taxes paid  
19 by the claimant during the year before the taxable year in which such taxes are due  
20 if those payments in the previous year were not used in calculating the credit under  
21 this subsection, the claimant may claim in one taxable year the amount calculated  
22 under subd. 5., based on the claimant’s filing status, for each taxable year for which  
23 the taxes have been paid.

24 **SECTION 6. Initial applicability.**

1           (1) This act first applies to taxable years beginning on January 1 of the year  
2 in which this subsection takes effect, except that if this subsection takes effect after  
3 July 31 this act first applies to taxable years beginning on January 1 of the year  
4 following the year in which this subsection takes effect.

5

**(END)**