

**2001 DRAFTING REQUEST**

**Bill**

Received: **05/17/2001**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Joanne Huelsman (608) 266-2635**

By/Representing: **Scott**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - real estate transfer fee**

Extra Copies:

Submit via email: **NO**

Requester's email:

**Pre Topic:**

No specific pre topic given

**Topic:**

Real estate transfer fee for transfer between related business

**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>
/P1	jkreye 05/18/2001	wjackson 05/21/2001	rschluet 05/23/2001	_____	lrb_docadmin 05/23/2001		S&L Tax
				_____	lrb_docadmin 05/23/2001		
/1	jkreye 06/04/2001	wjackson 06/04/2001	jfrantze 06/04/2001	_____	lrb_docadmin 06/04/2001	lrb_docadmin	S&L Tax

FE Sent For:

<END>

→ At Intro.  
~

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1 WLj 6/4

Jb 6/4

Jell 6/4

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1/?	jkreye	/pl WLj 5/21					

FE Sent For:

<END>

Scott - Sen - Hilman Huelman

real estate transfer fee exemptions

77.25

266-2635

create exemption

> transfer between corp, partnership or LLC  
where all the shareholders, partners, or members  
are the same person



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3326/P1

JK:.....

WJ  
MK

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 5-18-01

D-N

jm

1 AN ACT ...; **relating to:** a real estate transfer fee exemption for a conveyance  
2 between related corporations, partnerships and limited liability companies.

*Analysis by the Legislative Reference Bureau* 30

Under current law, with certain exemptions, a person who conveys real estate to another person is subject to a real estate transfer fee equal to ~~thirty~~ thirty cents for each \$100 of the real estate's value. A conveyance of real estate between a corporation and its shareholders is exempt from the transfer fee if all the shareholders are related to each other as spouses, lineal ascendants, lineal descendants, or siblings. A conveyance of real estate between a partnership and its partners is exempt from the transfer fee if all the partners are related to each other as spouses, lineal ascendants, lineal descendants, or siblings. A conveyance of real estate between a limited liability company and its members is exempt from the transfer fee if all the members are related to each other as spouses, lineal ascendants, lineal descendants, or siblings.

Under this bill, a conveyance of real estate between a corporation, partnership, or limited liability company and a corporation, partnership, or limited liability company is exempt from the real estate transfer fee if all the shareholders, partners, or members of the entity transferring the real estate are the same persons as the shareholders, partners, or members of the entity receiving the real estate.

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:*

1

SECTION 1. 77.24<sup>5</sup> (15t) of the statutes is created to read:

2

77.24<sup>5</sup> (15t) Between a corporation, partnership or limited liability company and a corporation, partnership or limited liability company, if all the shareholders, partners or members of the entity transferring the real estate are the same persons as the shareholders, partners or members of the entity receiving the real estate.

3

4

5

6

**SECTION 2. Initial applicability.**

7

(1) This act first applies to conveyances that are submitted for recording on the effective date of this subsection.

8

9

**SECTION 3. Effective date.**

10

(1) This act takes effect on the first day of the 2nd month beginning after publication.

11

12

(END)

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

LRB-3326/Pdn

JK:.....

PL  
WJ

Senator Huelsman:

Please review this draft carefully to ensure that it is consistent with your intent. If you have any questions, please contact me.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.state.wi.us

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

LRB-3326/P1dn  
JK:wlj:rs

May 22, 2001

Senator Huelsman:

Please review this draft carefully to ensure that it is consistent with your intent. If you have any questions, please contact me.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.state.wi.us](mailto:joseph.kreye@legis.state.wi.us)



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3326/P1  
JK:wlj:rs

RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

in 6-4-01  
TODAY PLEASE

REGEN

- 1 AN ACT to create 77.25 (15t) of the statutes; relating to: a real estate transfer
- 2 fee exemption for a conveyance between related corporations, partnerships,
- 3 and limited liability companies.

***Analysis by the Legislative Reference Bureau***

Under current law, with certain exemptions, a person who conveys real estate to another person is subject to a real estate transfer fee equal to 30 cents for each \$100 of the real estate's value. A conveyance of real estate between a corporation and its shareholders is exempt from the transfer fee if all the shareholders are related to each other as spouses, lineal ascendants, lineal descendants, or siblings. A conveyance of real estate between a partnership and its partners is exempt from the transfer fee if all the partners are related to each other as spouses, lineal ascendants, lineal descendants, or siblings. A conveyance of real estate between a limited liability company and its members is exempt from the transfer fee if all the members are related to each other as spouses, lineal ascendants, lineal descendants, or siblings.

Under this bill, a conveyance of real estate between a corporation, partnership, or limited liability company and a corporation, partnership, or limited liability company is exempt from the real estate transfer fee if all the shareholders, partners, or members of the entity transferring the real estate are the same persons as the shareholders, partners, or members of the entity receiving the real estate.

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.





# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
5TH FLOOR  
MADISON, WI 53701-2037

STEPHEN R. MILLER  
CHIEF

LEGAL SECTION: (608) 266-3561  
LEGAL FAX: (608) 264-6948

May 23, 2001

### MEMORANDUM

To: Senator Huelsman

From: Joseph T. Kreyc, Legislative Attorney

Re: LRB-3326/P1 Real estate transfer fee for transfer between related business

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

\_\_\_ JACKET FOR ASSEMBLY  JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-2263 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 266-5648

STEPHEN R. MILLER  
CHIEF

July 12, 2001

## MEMORANDUM

**To:** Senator Huelsman

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

**Subject:** Technical Memorandum to **2001 SB 213** (LRB 01-3326/1)

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

**MEMORANDUM**

July 12, 2001

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Dennis Collier  
Department of Revenue

**SUBJECT:** Technical Memorandum on SB 213 - Real Estate Transfer Fee Exemption for Conveyances between Related Parties

The bill exempts from the real estate transfer fee conveyances of property between entities if all the shareholders, partners or members of the entity transferring the property are the same persons as the shareholders, partners, or members of the entity receiving the property. Because "all" qualifies only the members of the transferring entity, it is unclear whether this would require that all the members of the transferring members be the same as all the members of the receiving entity. In other words, would a conveyance of property from an LLC with members A, B, and C to an LLC with members A, B, C, and D be exempt? Also, does the author intend to exempt conveyances in which ownership interests change? For example, would a conveyance of property from a partnership with equal partners A and B to an LLC with members A and B where A has 90% interest and B has 10% be exempt?

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE</u>
one-time	s. 20.566 (2) (a)	\$ 7,400	
annual	s. 20.566 (2) (a)	\$ 55,744	1.0

If you have any questions regarding this technical memorandum, please contact Rebecca Boldt at 266-6785.

DC:RB