

2001 SENATE BILL 308

November 6, 2001 – Introduced by Senators HARSDORF, SCHULTZ, HUELSMAN, ROESSLER, DARLING and LAZICH, cosponsored by Representatives STONE, ZIEGELBAUER, J. FITZGERALD, KESTELL, MEYERHOFER, BLACK, MUSSER, SYKORA, CARPENTER, AINSWORTH, RYBA, LADWIG, GUNDRUM, PETTIS, DUFF, SERATTI, GUNDERSON, GROTHMAN, KRAWCZYK, D. MEYER, STASKUNAS, GARD, LOEFFELHOLZ, LIPPERT, PLALE, OTT, NASS, JESKEWITZ, VRAKAS, PETROWSKI, MCCORMICK, KEDZIE, HAHN, LEIBHAM, TOWNSEND and HUBER. Referred to Committee on Universities, Housing, and Government Operations.

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) (am) and 71.07 (9) (b) 1.
 3 a. and b. of the statutes; **relating to:** authorizing claims under the school
 4 property tax rent credit for property taxes paid in the year before the year in
 5 which they are due and authorizing such claims, for property taxes paid, for the
 6 year to which the taxes relate.

Analysis by the Legislative Reference Bureau

Under current law, the school property tax rent credit may be claimed by an individual for property taxes paid on the claimant's principal dwelling, or rent constituting property taxes paid on the claimant's principal dwelling, during the taxable year for which the credit is claimed. For taxable years beginning after December 31, 1999, the credit, which may be claimed up to the amount of the claimant's tax liability, is 12% of the first \$2,500 of property taxes, or rent constituting property taxes, paid or 12% of the first \$1,250 of property taxes, or rent constituting property taxes, paid by a married person filing separately. Generally, no credit may be claimed for taxable year 1999.

For taxable years beginning before January 1, 1998, the credit, which may be claimed up to the amount of the claimant's tax liability, is 10% of the first \$2,000 of property taxes, or rent constituting property taxes, paid or 10% of the first \$1,000 of property taxes, or rent constituting property taxes, paid by a married person filing

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separately. For taxable year 1998, however, the credit, which may be claimed up to the amount of the claimant's tax liability, is 14% of the first \$2,500 of property taxes, or rent constituting property taxes, paid or 14% of the first \$1,250 of property taxes, or rent constituting property taxes, paid by a married person filing separately.

Under this bill, either the credit may also be claimed in one year for property taxes paid for two taxable years in one year or the credit may be claimed for the year to which the property taxes relate if the claimant pays property taxes for two taxable years in one year.

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.** 71.07 (9) (a) 3. of the statutes is amended to read:

2 71.07 **(9)** (a) 3. "Property taxes" means, except as provided in par. (am), real and
3 personal property taxes, exclusive of special assessments, delinquent interest and
4 charges for service, paid by a claimant on the claimant's principal dwelling during
5 the taxable year for which credit under this subsection is claimed, less any property
6 taxes paid which are properly includable as a trade or business expense under
7 section 162 of the internal revenue code. If the principal dwelling on which the taxes
8 were paid is owned by 2 or more persons or entities as joint tenants or tenants in
9 common or is owned by spouses as marital property, "property taxes" is that part of
10 property taxes paid that reflects the ownership percentage of the claimant. If the
11 principal dwelling is sold during the taxable year the "property taxes" for the seller
12 and buyer shall be the amount of the tax prorated to each in the closing agreement
13 pertaining to the sale or, if not so provided for in the closing agreement, the tax shall
14 be prorated between the seller and buyer in proportion to months of their respective
15 ownership. "Property taxes" includes monthly parking permit fees in respect to a
16 principal dwelling collected under s. 66.0435 (3) (c).

17 **SECTION 2.** 71.07 (9) (am) of the statutes is created to read:

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1 71.07 (9) (am) Notwithstanding the definition of “property taxes” in par. (a) 1.,
2 under which property taxes are defined to mean, generally, real and personal
3 property taxes paid by a claimant on the claimant’s principal dwelling during the
4 taxable year for which credit under this subsection is claimed, if a claimant’s
5 property taxes are for 2 years and are paid in one year the claimant may claim the
6 credit under this subsection for the year to which the property taxes relate if the
7 claimant does not claim in one year the credit paid for both years as allowed under
8 par. (b) 1. a. or b. or under par. (b) 5.

9 **SECTION 3.** 71.07 (9) (b) 1. of the statutes is renumbered 71.07 (9) (b) 1. (intro.)
10 and amended to read:

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

17 **SECTION 4.** 71.07 (9) (b) 1. a. and b. of the statutes are created to read:

18 71.07 (9) (b) 1. a. If a claimant’s property taxes are for 2 years, do not include
19 a taxable year that begins after December 31, 1997, and before January 1, 1999, and
20 are paid in one year, 10% of the first \$2,000 of property taxes for each taxable year
21 or 10% of the first \$1,000 of property taxes for each year of a married person filing
22 separately.

23 b. If a claimant’s property taxes are for 2 years, include a taxable year that
24 begins after December 31, 1997, and before January 1, 1999, and are paid in one year,
25 14% of the first \$2,500 of property taxes for the taxable year that begins after

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1 December 31, 1997, and before January 1, 1999, and 10% of the first \$2,000 of
2 property taxes for the other taxable year or 14% of the first \$1,250 of property taxes
3 for the taxable year that begins after December 31, 1997, and before January 1, 1999,
4 and 10% of the first \$1,000 of property taxes for the other taxable year of a married
5 person filing separately.

6 **SECTION 5.** 71.07 (9) (b) 2. of the statutes is amended to read:

7 71.07 **(9)** (b) 2. Subject to the limitations under this subsection, a claimant may
8 claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, the
9 amounts specified in the proposal under 1997 Wisconsin Act 237, section 9256 (2c),
10 except that, if a claimant's property taxes are for 2 taxable years, including the
11 taxable year to which this subdivision applies, and are paid in one year, the claimant
12 may claim the amount calculated under subd. 1. b.

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

14 71.07 **(9)** (b) 5. For taxable years beginning after December 31, 1999, subject
15 to the limitations under this subsection a claimant may claim as a credit against, but
16 not to exceed the amount of, taxes under s. 71.02, 12% of the first \$2,500 of property
17 taxes or rent constituting property taxes, or 12% of the first \$1,250 of property taxes
18 or rent constituting property taxes of a married person filing separately, except that,
19 if a claimant's property taxes are for 2 years and are paid in one year, the claimant
20 may claim 12% of the first \$2,500 of property taxes for each taxable year or 12% of
21 the first \$1,250 of property taxes for each year of a married person filing separately.

22 **SECTION 7. Initial applicability.**

23 (1) This act first applies to taxable years beginning on January 1 of the year
24 in which this subsection takes effect, except that if this subsection takes effect after

