

2003 DRAFTING REQUEST

Bill

Received: 01/29/2004

Received By: jkreye

Wanted: Today

Identical to LRB:

For: Garey Bies (608) 266-5350

By/Representing: andrew

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - property

Extra Copies:

Submit via email: YES

Requester's email: Rep.Bies@legis.state.wi.us

Carbon copy (CC:) to: joseph.kreye@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Property tax exemption for outdoor theaters

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> |
|--------------|----------------------|------------------------|------------------------|----------------|------------------------|------------------------|-----------------|
| /? | jkreye 01/29/2004 | kfollett 01/29/2004 | | _____ | | | S&L Tax |
| /1 | | | jfrantze 01/29/2004 | _____ | sbasford 01/29/2004 | sbasford 01/29/2004 | |

FE Sent For:

<END>

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Handwritten note in a circle: Please jacket this! Joe

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|--------------|----------------|--------------------|--------------|----------------|------------------|-----------------|-----------------|
| 1? | jkreye | 1/18/04 1/29/04 | 2/6/29 | 2/6/29 1/29 | | | |

FE Sent For:

<END>

4/52/1

2003 ASSEMBLY BILL 628

NOW

~~October 27, 2003 - Introduced by Representatives BIES, F. LASEE, HAHN and McCORMICK, cosponsored by Senator A. LASEE. Referred to Committee on Ways and Means.~~

However, if the property is ever sold, the seller must pay property tax on the property in an amount equal to the property tax that would have been levied on the property, had it been taxable, from the date that the bill takes effect to the date that the property is transferred to the buyer.

1
2 Reyn

AN ACT to create 70.11 (29p) of the statutes; relating to: creating a property tax exemption for outdoor theaters.

Analysis by the Legislative Reference Bureau

Under current law, the property owned by a nonprofit organization that operates a theater is exempt from the property tax, if the property includes one or more buildings that are listed on the National Register of Historic Places and one or more theaters that have a total seating capacity of at least 800 persons.

Under this bill, the property owned by a nonprofit organization that operates an outdoor theater is exempt from the property tax, if the organization's federal income tax-exempt status is confirmed by a determination letter issued by the Internal Revenue Service no later than July 31, 1969 and the property includes one or more outdoor theaters that have a total seating capacity of at least 400 persons.

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:

3

SECTION 1. 70.11 (29p) of the statutes is created to read:

ASSEMBLY BILL 628

1 70.11 (29p) NONPROFIT OUTDOOR THEATERS. All the property owned or leased by
2 an organization that is exempt from taxation under section 501 (c) (3) of the Internal
3 Revenue Code, as confirmed by a determination letter issued by the Internal
4 Revenue Service no later than July 31, 1969, if all of the property is used for the
5 purposes for which the exemption was granted, the property includes one or more
6 outdoor theaters for performing theater arts which have a total seating capacity of
7 not less than 400 persons, and the organization operates the theater or theaters.

INSERT
2-7

SECTION 2. Initial applicability.

(1) This act first applies to the property tax assessments as of January 1, 2004.

(END)

**ASSEMBLY AMENDMENT ,
TO 2003 ASSEMBLY BILL 628**

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

2 ~~1. Page 2, line 7: after the period insert~~ If the property described in this
3 subsection is sold after the effective date of this subsection [revisor inserts date],
4 the seller shall pay property taxes on the property in an amount equal to the property
5 taxes that would have been levied on the property, had the property been taxable,
6 from the effective date of this subsection [revisor inserts date], to the date on
7 which the property is transferred to the buyer. Taxes owed under this subsection
8 shall be paid on or before the date on which the property is transferred to the buyer
9 and taxes not paid on or before that date are subject to interest and penalties under
10 s. 74.47.

11 (END)

INSERT
2-7



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

February 13, 2004

MEMORANDUM

To: Representative Bies

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

Subject: Technical Memorandum to **AB-783** (LRB 03-4152/1)

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

February 3, 2004

TO: Joe Kreye
Legislative Reference Bureau

FROM: Dennis Collier
Department of Revenue

SUBJECT: Technical Memorandum on Property Tax Exemption for Outdoor Theaters

The Department has two concerns with the provisions that would require the seller of property made exempt by the bill to pay property taxes equal to the amount of taxes that would have been levied on the property from the date of the exemption to the date of sale.

First, the bill should indicate procedures for calculating the amount that would have to be paid, including how the tax is determined, who makes the determination and how the payment is allocated to taxing jurisdictions. Language in sec. 74.485, relating to the penalty for converting agricultural land, may be helpful in drafting these procedures. We would like to raise a related administrative concern: presumably local assessors would need to continue to assess annually property exempted by this so that the tax that must be paid upon sale could be determined.

Second, it is not clear whether such recapture provisions are permitted under the uniform taxation requirement of Article VIII of the Wisconsin Constitution.

If you have questions regarding this technical memorandum, please contact me at 266-5773 or dcollier@dor.state.wi.us.