

**2003 DRAFTING REQUEST**

**Bill**

Received: **01/22/2003**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-2081**

By/Representing: **Koskinen**

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:

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

**Pre Topic:**

DOA:.....Koskinen - BB0402,

**Topic:**

Property tax--function of DOR regarding manufacturing property

**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 01/22/2003	csicilia 01/23/2003		_____			S&L
/1	jkreye 02/05/2003	csicilia 02/05/2003	jfrantze 01/23/2003	_____	lemery 01/23/2003		S&L
/2			chaskett	_____	lemery		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			02/05/2003	_____	02/05/2003		

FE Sent For:

<END>

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1/2 jys 2/5  
63

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1?	jkreye	1/23 03	1/23	1/23			

FE Sent For:

<END>

**Topic:** Biennial Budget Drafting Request—Property Taxes—Function  
of Department of Revenue toward Manufacturing Property

**Analyst Name(s):** Lori Wilson & John Koskinen

**Analyst Team:** Special Projects Unit

**Agency:** Department of Revenue

**Agency Number:** 566

BB0402



**Date:** January 21, 2003

**To:** Steve Miller, Chief  
Legislative Reference Bureau

**From:** Lori Wilson & John Koskinen, Special Projects Unit  
State Budget Office, DOA

**Subject:** Biennial Budget Drafting Request—Property Taxes—Function of  
Department of Revenue toward Manufacturing Property

Please amend sec.70.995, Wis. Stats., to change the role of the Department of Revenue toward manufacturing property from assessment of manufacturing property to setting the standards for state assessment of manufacturing property. Specifically, amend the following:

- ✓ 1). Sec. 70.955(4), Wis. Stats. should read, "...the department of revenue...shall set the standards for assessing the property under this section..."
- ✓ 2). Sec. 70.995(5), Wis. Stats. should read, "Commencing January 1, 2004, and annually thereafter, municipal assessors shall assess all property of manufacturing establishments..."
- ✓ 3). Delete Sec. 70.995(6), Wis. Stats.
- ✓ 4). Sec. 70.995(7)(a), Wis. Stats. should read, "Each manufacturing property shall be entered on a state manufacturing property assessment roll..." and (7)(b) should be deleted.
- ✓ 5). Delete Sec. 70.995(7)(b), Wis. Stats.
- ✓ 6). Sec.70.995 (retain review responsibilities?)
- ✓ 7). Delete Secs. 70.995(11), 70.995(12r), and 70.995(13), Wis. Stats.

*retain, but amend*

Please contact me at 266-2081 or by email at john.koskinen@doa.state.wi.us with any questions.

Thank you.

*get DOR out of business of assessing man. property*



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-1680?

JK:.)....

sw  
x-ved ✓

gjs

M not Run

DOA:.....Koskinen - BB0402, Property tax—function of DOR regarding manufacturing property

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

~~DO NOT GO~~  
in 1-22-03

D-N  
INSERTS

1 AN ACT...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION** ✓

**PROPERTY TAXATION** ✓

Under current law, for local general property tax purposes, DOR identifies and assesses all manufacturing property located in this state and reports the value of such assessments to the municipalities in which manufacturing property is located. Under this bill, for local general property tax purposes, each taxation district identifies and assesses all manufacturing property located in the the taxation district.

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:*

2 SECTION 1. 70.36 (3) of the statutes is amended to read:

3 70.36 (3) The word assessor whenever used in ss. 70.35 and 70.36 shall, in 1st

4 class cities, be deemed to refer also to the commissioner of assessments of any such



1 city and, where applicable, shall be deemed also to refer to the department of revenue  
 2 responsible for the manufacturing property assessment under s. 70.995. ✓

3 History: 1973 c. 90; 1991 a. 156, 316; 1997 a. 237; 2001 a. 16, 102.

3 **SECTION 2.** 70.44 (1) of the statutes is amended to read:

4 70.44 (1) Real or personal property omitted from assessment in any of the 2  
 5 next previous years, unless previously reassessed for the same year or years, shall  
 6 be entered once additionally for each previous year of such omission, designating  
 7 each such additional entry as omitted for the year of omission and affixing a just  
 8 valuation to each entry for a former year as the same should then have been assessed  
 9 according to the assessor's best judgment, and taxes shall be apportioned, using the  
 10 net tax rate as provided in s. 70.43, and collected on the tax roll for such entry. This  
 11 section shall not apply to manufacturing property assessed by the department of  
 12 revenue under s. 70.995. ✓

13 History: 1975 c. 39; 1983 a. 300; 1987 a. 378; 1991 a. 316; 1997 a. 35, 250; 1999 a. 32.

13 **SECTION 3.** 70.511 (2) (c) of the statutes is amended to read:

14 70.511 (2) (c) If the reviewing authority increases the value of the property in  
 15 question, the increase in value shall in the case of manufacturing property assessed  
 16 by the department of revenue under s. 70.995 be assessed as omitted property as  
 17 prescribed under s. 70.995 (12). In the case of all other property s. 70.44 shall apply. ✓

18 History: 1975 c. 39; 1977 c. 29; 1979 c. 34, 221; 1981 c. 20, 132, 391; 1983 a. 27, 300; 1987 a. 378, 399, 403; 1989 a. 104; 1991 a. 39.

18 **SECTION 4.** 70.995 (title) of the statutes is amended to read:

19 **70.995 (title) State assessment Assessment of manufacturing property.**

20 History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8;  
 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196,  
 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

20 **SECTION 5.** 70.995 (4) of the statutes is amended to read:

21 70.995 (4) ~~Whenever real property or tangible personal property is used for~~  
 22 ~~one, or some combination, of the processes mentioned in sub. (3) and also for other~~  
 23 ~~purposes, the~~ The department of revenue, ~~if satisfied that there is substantial use~~

1 ~~in one or some combination of such processes, may assess the shall establish~~  
 2 ~~standards and procedures for the assessment of property under this section and shall~~  
 3 ~~publish such standards and procedures in the property tax assessment manual~~  
 4 ~~provided under s. 73.03 (2a).~~ For all purposes of this section the department of  
 5 revenue shall have sole discretion for the determination of what is substantial use  
 6 and what description of real property or what unit of tangible personal property shall  
 7 constitute "the property" to be included for assessment purposes, and, in connection  
 8 herewith, the department may include in a real property unit, real property owned  
 9 by different persons. Vacant property designed for use in manufacturing,  
 10 assembling, processing, fabricating, making or milling tangible property for profit  
 11 may be assessed under this section or under s. 70.32 (1), and the period of vacancy  
 12 may not be the sole ground for making that determination. In those specific  
 13 instances where a portion of a description of real property includes manufacturing  
 14 property rented or leased and operated by a separate person which does not satisfy  
 15 the substantial use qualification for the entire property, the local assessor shall  
 16 assess the entire real property description and all personal property not exempt  
 17 under s. 70.11 (27). The applicable portions of the standard manufacturing property  
 18 report form under sub. (12) as they relate to manufacturing machinery and  
 19 equipment shall be submitted by such person.

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

20 **SECTION 6.** 70.995 (5) of the statutes is amended to read:

21 70.995 (5) The department of revenue taxation district assessor of the taxation  
 22 district in which the property is located shall assess all property of manufacturing  
 23 establishments included under subs. (1) and (2) as of the close of January 1 of each  
 24 year, if on or before March 1 of that year the department has classified the property

1 ~~as manufacturing or the owner of the property has requested, in writing, that the~~  
 2 ~~department make such a classification and the department later does so. A change~~  
 3 ~~in ownership, location, or name of the manufacturing establishment does not~~  
 4 ~~necessitate a new request. In assessing lands from which metalliferous minerals are~~  
 5 ~~being extracted and valued for purposes of the tax under s. 70.375, the value of the~~  
 6 ~~metalliferous mineral content of such lands shall be excluded.~~

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

7 **SECTION 7.** 70.995 (6) of the statutes is repealed.

8 **SECTION 8.** 70.995 (7) (a) of the statutes is renumbered 70.995 (7) and amended  
 9 to read:

10 70.995 (7) ~~Each manufacturing property assessed by~~ The taxation district  
 11 assessor shall notify the department of revenue shall be entered of all manufacturing  
 12 property located and assessed in the taxation district and the department shall enter  
 13 such property on a state manufacturing property assessment roll ~~for each~~  
 14 ~~municipality that has manufacturing property as set forth in subs. (1) and (2).~~  
 15 ~~Notification of the individual manufacturing property assessments contained in the~~  
 16 ~~roll shall be furnished by the department to the municipal clerk that identifies all~~  
 17 such property by the municipality in which the property is located.

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

18 **SECTION 9.** 70.995 (7) (b) of the statutes is repealed.

19 **SECTION 10.** 70.995 (8) (a) of the statutes is amended to read:

20 70.995 (8) (a) The secretary of revenue shall establish a state board of  
 21 assessors, which shall be comprised of the members of the department of revenue  
 22 whom the secretary designates. The state board of assessors shall investigate any  
 23 objection filed under par. (c) ~~or (d)~~ if the fee under that paragraph is paid. The state

1 board of assessors, after having made the investigation, shall notify the person  
2 assessed or the person's agent and the appropriate municipality of its determination  
3 by 1st class mail or electronic mail. Beginning with objections filed in 1989, the state  
4 board of assessors shall make its determination on or before April 1 of the year after  
5 the filing. If the determination results in a refund of property taxes paid, the state  
6 board of assessors shall include in the determination a finding of whether the refund  
7 is due to false or incomplete information supplied by the person assessed. The person  
8 assessed or the municipality having been notified of the determination of the state  
9 board of assessors shall be deemed to have accepted the determination unless the  
10 person or municipality files a petition for review with the clerk of the tax appeals  
11 commission as provided in s. 73.01 (5) and the rules of practice promulgated by the  
12 commission. If an assessment is reduced by the state board of assessors, the  
13 municipality affected may file an appeal seeking review of the reduction, or may,  
14 within 30 days after the person assessed files a petition for review, file a  
15 cross-appeal, before the tax appeals commission even though the municipality did  
16 not file an objection to the assessment with the board. ~~If the board does not overrule~~  
17 ~~a change from assessment under this section to assessment under s. 70.32 (1), the~~  
18 ~~affected municipality may file an appeal before the tax appeals commission.~~ If an  
19 assessment is increased by the board, the person assessed may file an appeal seeking  
20 review of the increase, or may, within 30 days after the municipality files a petition  
21 for review, file a cross-appeal, before the commission even though the person did not  
22 file an objection to the assessment with the board.

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

23 **SECTION 11.** 70.995 (8) (b) 1. of the statutes is renumbered 70.995 (8) (b) and  
24 amended to read:



1           70.995 (8) (b) ~~The department of revenue~~ the taxation district in which the  
2 manufacturing property is located shall annually notify each manufacturer assessed  
3 under this section ~~and the municipality in which the manufacturing property is~~  
4 ~~located~~ of the full value of all real and personal property owned by the manufacturer  
5 that is located in the taxation district. The notice shall be in writing and shall be sent  
6 by 1st class mail or electronic mail. In addition, the notice shall specify that  
7 objections to valuation, amount, or taxability must be filed with the state board of  
8 assessors within 60 days of issuance of the notice of assessment, that objections to  
9 a change from assessment under this section to assessment under s. 70.32 (1) must  
10 be filed within 60 days after receipt of the notice, that the fee under par. (c) 1. ~~or (d)~~  
11 must be paid and that the objection is not filed until the fee is paid. A statement shall  
12 be attached to the assessment roll indicating that the notices required by this section  
13 have been mailed and failure to receive the notice does not affect the validity of the  
14 assessments, the resulting tax on real or personal property, the procedures of the tax  
15 appeals commission or of the state board of assessors, or the enforcement of  
16 delinquent taxes by statutory means.

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

17           **SECTION 12.** 70.995 (8) (b) 2. of the statutes is repealed.

18           **SECTION 13.** 70.995 (8) (c) 2. of the statutes is amended to read:

19           70.995 (8) (c) 2. A manufacturer who files an objection under subd. 1. may file  
20 supplemental information to support the manufacturer's objection within 60 days  
21 from the date the objection is filed. The state board of assessors shall notify the  
22 municipality taxation district in which the manufacturer's property is located of

INS 6-17

INS 7-3

1 supplemental information filed by the manufacturer under this subdivision, if the  
2 municipality taxation district has filed an appeal related to the objection.

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

3 **SECTION 14.** 70.995 (8) (d) of the statutes is repealed.

4 **SECTION 15.** 70.995 (10) of the statutes is amended to read:

5 70.995 (10) ~~Municipalities, and counties with a county assessor system,~~  
6 Taxation districts shall have access to all manufacturing property for the purpose of  
7 making appraisals of valuation of such property and may employ appraisal  
8 personnel, who need not be certified under s. 70.05 (4), for such purpose.

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

9 **SECTION 16.** 70.995 (11) of the statutes is repealed.

10 **SECTION 17.** 70.995 (12) (a) of the statutes is amended to read:

11 70.995 (12) (a) The department of revenue shall prescribe a standard  
12 manufacturing property report form that shall be submitted annually to the taxation  
13 district in which the property is located for each real estate parcel and each personal  
14 property account on or before March 1 by all manufacturers whose property is  
15 assessed under this section. The report form shall contain all information considered  
16 necessary by the department and shall include, without limitation, income and  
17 operating statements, fixed asset schedules and a report of new construction or  
18 demolition. Failure to submit the report shall result in denial of any right of  
19 redetermination by the state board of assessors or the tax appeals commission. If any  
20 property is omitted or understated in the assessment roll in any of the next 5 previous  
21 years, the assessor shall enter the value of the omitted or understated property once  
22 for each previous year of the omission or understatement. The assessor shall affix  
23 a just valuation to each entry for a former year as it should have been assessed

SECTION 17

1 according to the assessor's best judgment. Taxes shall be apportioned and collected  
 2 on the tax roll for each entry, on the basis of the net tax rate for the year of the  
 3 omission, taking into account credits under s. 79.10. In the case of omitted property,  
 4 interest shall be added at the rate of 0.0267% per day for the period of time between  
 5 the date when the form is required to be submitted and the date when the assessor  
 6 affixes the just valuation. ~~In the case of underpayments determined after an~~  
 7 ~~objection under s. 70.995 (8) (d), interest shall be added at the average annual~~  
 8 ~~discount interest rate determined by the last auction of 6-month U.S. treasury bills~~  
 9 ~~before the objection per day for the period of time between the date when the tax was~~  
 10 ~~due and the date when it is paid.~~



History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

11 SECTION 18. 70.995 (12) (b) of the statutes is amended to read:

12 70.995 (12) (b) The department of revenue taxation district shall allow an  
 13 extension to April 1 of the due date for filing the report forms required under par. (a)  
 14 if a written application for an extension, stating the reason for the request, is filed  
 15 with the department on or before March 1.

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

16 SECTION 19. 70.995 (12) (c) of the statutes is amended to read:

17 70.995 (12) (c) Unless the taxpayer shows that the failure is due to reasonable  
 18 cause, if a taxpayer fails to file any form required under par. (a) for property that the  
 19 department of revenue was assessed during under this section in the previous year  
 20 by the due date or by any extension of the due date that has been granted, the  
 21 taxpayer shall pay to the department of revenue taxation district in which the  
 22 property is located a penalty of \$25 if the form is filed 1 to 10 days late; \$50 or 0.05%  
 23 of the previous year's assessment, whichever is greater, but not more than \$250, if

1 the form is filed 11 to 30 days late; and \$100 or 0.1% of the previous year's  
2 assessment, whichever is greater, but not more than \$750, if the form is filed more  
3 than 30 days late. Penalties are due 30 days after they are assessed and are  
4 delinquent if not paid on or before that date. The ~~department~~ taxation district may  
5 refund all or part of any penalty it assesses under this paragraph if it finds  
6 reasonable grounds for late filing. ✓

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

7 **SECTION 20.** 70.995 (12r) of the statutes is amended to read:

8 **70.995 (12r)** ~~The department of revenue~~ Each taxation district shall calculate  
9 the value of property located in the taxation district that is used in manufacturing,  
10 as defined in this section, and that is exempt under s. 70.11 (39) and (39m). ✓

History: 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

11 **SECTION 21.** 70.995 (13) of the statutes is repealed. ✓

12 **SECTION 22.** 73.03 (2a) of the statutes is amended to read:

13 **73.03 (2a)** To prepare, have published and distribute to each property tax  
14 assessor and to others who so request assessment manuals. The manual shall  
15 discuss and illustrate accepted assessment methods, techniques and practices with  
16 a view to more nearly uniform and more consistent assessments of property at the  
17 local level. The manual shall be amended by the department from time to time to  
18 reflect advances in the science of assessment, court decisions concerning assessment  
19 practices, costs, and statistical and other information considered valuable to local  
20 assessors by the department. The manual shall incorporate standards for the  
21 assessment of all types of renewable energy resource systems used in this state as  
22 soon as such systems are used in sufficient numbers and sufficient data exists to  
23 allow the formulation of valid guidelines. The manual shall incorporate standards,



1 which the department of revenue and the state historical society of Wisconsin shall  
2 develop, for the assessment of nonhistoric property in historic districts and for the  
3 assessment of historic property, including but not limited to property that is being  
4 preserved or restored; property that is subject to a protective easement, covenant or  
5 other restriction for historic preservation purposes; property that is listed in the  
6 national register of historic places in Wisconsin or in this state's register of historic  
7 places and property that is designated as a historic landmark and is subject to  
8 restrictions imposed by a municipality or by a landmarks commission. The manual  
9 shall incorporate general guidelines about ways to determine whether property is  
10 taxable in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in  
11 specific situations. The manual shall establish standards and procedures for the  
12 assessment of manufacturing property under s. 70.995. The manual shall state that  
13 assessors are required to comply with s. 70.32 (1g) and shall suggest procedures for  
14 doing so. The manual or a supplement to it shall specify per acre value guidelines  
15 for each municipality for various categories of agricultural land based on the income  
16 that could be generated from its estimated rental for agricultural use, as defined by  
17 rule, and capitalization rates established by rule. The manual shall include  
18 guidelines for classifying land as agricultural land, as defined in s. 70.32 (2) (c) 1. and  
19 guidelines for distinguishing between land and improvements to land. The cost of  
20 the development, preparation, publication and distribution of the manual and of  
21 revisions and amendments to it shall be borne by the assessors and requesters at an  
22 individual volume cost or a subscription cost as determined by the department. All  
23 receipts shall be credited to the appropriation under s. 20.566 (2) (hi). The  
24 department may provide free assessment manuals to other state agencies or

1 exchange them at no cost with agencies of other states or of the federal government  
2 for similar information or publications.

History: 1971 c. 40, 215; 1973 c. 90; 1975 c. 39; 1977 c. 143; 1977 c. 196 s. 130 (7); 1977 c. 313; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 350; 1981 c. 20; 1981 c. 79 s. 18; 1983 a. 275 s. 15 (4); 1983 a. 524; 1983 a. 538 s. 269 (3); 1985 a. 12, 29, 273; 1987 a. 4, 27, 186; 1987 a. 312 s. 17; 1987 a. 328, 378, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 74, 335; 1991 a. 39, 219, 313, 316; 1993 a. 16, 112, 205, 490; 1995 a. 27 ss. 3434g to 3440m, 9145 (1); 1995 a. 209, 233; 1997 a. 27, 35, 191, 237, 252; 1999 a. 9, 31, 185; 2001 a. 16, 44, 104, 107, 109.

3 **SECTION 23.** 76.82 of the statutes is amended to read:

4 **76.82 Assessment.** The department, using the methods that it uses used to  
5 assess property under s. 70.995, shall assess the property that is taxable under s.  
6 76.81, including property that is exempt under s. 70.11 (27) from the tax under ch.  
7 70, at its value as of January 1.

8 History: 1995 a. 351.

**SECTION 9345. Initial applicability; revenue.**

open paren → ( ) ✓

9 (1) **MANUFACTURING PROPERTY ASSESSMENTS.** The treatment of sections 70.36 (3),  
10 70.44 (1), 70.511 (2) (c), 70.995 (title), (4), (5), (6), (7) (a) and (b), (8) (a), (b), (c) 2., and  
11 (d), (10), (11), (12) (a), (b), and (c), (12r), and (13), 73.03 (2a), and 76.82 of the statutes  
12 first applies to the property tax assessments as of January 1, 2004. ✓

(b) 1. and 2. ✓

13 (END)

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

INS 6-17

**SECTION 1.** 70.995 (8) (c) 1. of the statutes is amended to read:

70.995 (8) (c) 1. All objections to the amount, valuation, taxability, or change from assessment under this section to assessment under s. 70.32 (1) of property shall be first made in writing on a form prescribed by the department of revenue that specifies that the objector shall set forth the reasons for the objection, the objector's estimate of the correct assessment, and the basis under s. 70.32 (1) for the objector's estimate of the correct assessment. An objection shall be filed with the state board of assessors within the time prescribed in par. (b) ~~1~~. A \$45 fee shall be paid when the objection is filed unless a fee has been paid in respect to the same piece of property and that appeal has not been finally adjudicated. The objection is not filed until the fee is paid. Neither the state board of assessors nor the tax appeals commission may waive the requirement that objections be in writing. Persons who own land and improvements to that land may object to the aggregate value of that land and improvements to that land, but no person who owns land and improvements to that land may object only to the valuation of that land or only to the valuation of improvements to that land.

Strike  
"1"  
Plain  
Period

**History:** 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

**SECTION 2.** 70.995 (8) (dm) of the statutes is amended to read:

70.995 (8) (dm) The department shall refund filing fees paid under par. (c) 1. ~~or (d)~~ if the appeal in respect to the fee is denied because of lack of jurisdiction.

**History:** 1973 c. 90, 283, 333; 1975 c. 39, 144, 199, 200, 213, 224; 1977 c. 29 ss. 776 to 782, 1646 (3), 1647 (5m), 1656 (38); 1977 c. 31, 142, 272; 1977 c. 300 ss. 7, 8; 1977 c. 328, 377, 418, 447; 1979 c. 34 ss. 883m, 2102 (39) (g); 1979 c. 221; 1981 c. 20; 1983 a. 27; 1983 a. 275 s. 15 (8); 1985 a. 29; 1985 a. 120 s. 3202 (46); 1987 a. 27, 196, 399; 1989 a. 31; 1991 a. 39, 269; 1993 a. 307, 391; 1995 a. 227, 408; 1997 a. 35, 237, 250; 1999 a. 32; 2001 a. 16, 109.

INS 7-3

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

LRB-1680/7dn  
JK:.....

John:

Please review this draft carefully to ensure that it is consistent with your intent. As I was checking the cross-references to s. 70.995, I wasn't always sure which cross-references in the statutes should be amended and which ones should be left alone. Specifically, I did not amend the definitions of "assessed value" and "full value" under s. 70.05 (5) (a) 1. and 2. to include the value of manufacturing property within those definitions because I was unsure of the consequences of doing so. \*

I retained most of s. 70.995 (8) related to appealing an assessment of manufacturing property. I also amended s. 70.995 (12r) so that the taxation district rather than DOR calculates the value of exempt computer equipment located in the district. Please note that s. 70.995 (8) and (12r) are necessary for the administration of computer aid payments under s. 79.095. Please contact me if you have any questions.

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-1680/1dn  
JK:cjs:jf

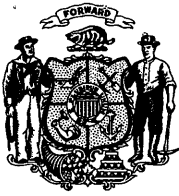
January 23, 2003

John:

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



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-1680/1

JK:cjs:jf

*Stans*  
*RM not run*

DOA:.....Koskinen - BB0402, Property tax—function of DOR regarding manufacturing property

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

*Do NOT GEN in 2-5-03*  
*D-N*

1 AN ACT...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**PROPERTY TAXATION**

Under current law, for local general property tax purposes, DOR identifies and assesses all manufacturing property located in this state and reports the value of such assessments to the municipalities in which manufacturing property is located. Under this bill, for local general property tax purposes, each taxation district identifies and assesses all manufacturing property located in the the taxation district.

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:*

2 SECTION 1. 70.36 (3) of the statutes is amended to read:

3 70.36 (3) The word assessor whenever used in ss. 70.35 and 70.36 shall, in 1st  
4 class cities, be deemed to refer also to the commissioner of assessments of any such

1 city and, where applicable, shall be deemed also to refer to the department of revenue  
2 responsible for the manufacturing property assessment under s. 70.995.

3 **SECTION 2.** 70.44 (1) of the statutes is amended to read:

4 70.44 (1) Real or personal property omitted from assessment in any of the 2  
5 next previous years, unless previously reassessed for the same year or years, shall  
6 be entered once additionally for each previous year of such omission, designating  
7 each such additional entry as omitted for the year of omission and affixing a just  
8 valuation to each entry for a former year as the same should then have been assessed  
9 according to the assessor's best judgment, and taxes shall be apportioned, using the  
10 net tax rate as provided in s. 70.43, and collected on the tax roll for such entry. This  
11 section shall not apply to manufacturing property assessed by the department of  
12 revenue under s. 70.995.

13 **SECTION 3.** 70.511 (2) (c) of the statutes is amended to read:

14 70.511 (2) (c) If the reviewing authority increases the value of the property in  
15 question, the increase in value shall in the case of manufacturing property assessed  
16 by the department of revenue under s. 70.995 be assessed as omitted property as  
17 prescribed under s. 70.995 (12). In the case of all other property s. 70.44 shall apply.

18 **SECTION 4.** 70.995 (title) of the statutes is amended to read:

19 **70.995 (title) State assessment Assessment of manufacturing property.**

20 **SECTION 5.** 70.995 (4) of the statutes is amended to read:

21 70.995 (4) ~~Whenever real property or tangible personal property is used for~~  
22 ~~one, or some combination, of the processes mentioned in sub. (3) and also for other~~  
23 ~~purposes, the~~ The department of revenue, if satisfied that there is substantial use  
24 ~~in one or some combination of such processes, may assess the~~ shall establish  
25 standards and procedures for the assessment of property under this section. ~~For all~~

1 ~~purposes of this section the department of revenue shall have sole discretion for the~~  
2 ~~determination of what is substantial use and what description of real property or~~  
3 ~~what unit of tangible personal property shall constitute “the property” to be included~~  
4 ~~for assessment purposes, and, in connection herewith, the department may include~~  
5 ~~in a real property unit, real property owned by different persons. Vacant property~~  
6 ~~designed for use in manufacturing, assembling, processing, fabricating, making or~~  
7 ~~milling tangible property for profit may be assessed under this section or under s.~~  
8 ~~70.32 (1), and the period of vacancy may not be the sole ground for making that~~  
9 ~~determination. In those specific instances where a portion of a description of real~~  
10 ~~property includes manufacturing property rented or leased and operated by a~~  
11 ~~separate person which does not satisfy the substantial use qualification for the entire~~  
12 ~~property, the local assessor shall assess the entire real property description and all~~  
13 ~~personal property not exempt under s. 70.11 (27). The applicable portions of the~~  
14 ~~standard manufacturing property report form under sub. (12) as they relate to~~  
15 ~~manufacturing machinery and equipment shall be submitted by such person and~~  
16 shall publish such standards and procedures in the property tax assessment manual  
17 provided under s. 73.03 (2a).

18 **SECTION 6.** 70.995 (5) of the statutes is amended to read:

19 70.995 (5) The department of revenue taxation district assessor of the taxation  
20 district in which the property is located shall assess all property of manufacturing  
21 establishments included under subs. (1) and (2) as of the close of January 1 of each  
22 year, if on or before March 1 of that year the department has classified the property  
23 as manufacturing or the owner of the property has requested, in writing, that the  
24 department make such a classification and the department later does so. A change  
25 in ownership, location, or name of the manufacturing establishment does not



1 necessitate a new request. In assessing lands from which metalliferous minerals are  
2 being extracted and valued for purposes of the tax under s. 70.375, the value of the  
3 metalliferous mineral content of such lands shall be excluded.

4 SECTION 7. 70.995 (6) of the statutes is repealed.

5 SECTION 8. 70.995 (7) (a) of the statutes is renumbered 70.995 (7) and amended  
6 to read:

7 70.995 (7) ~~Each manufacturing property assessed by~~ The taxation district  
8 assessor shall notify the department of revenue shall be entered of all manufacturing  
9 property located and assessed in the taxation district and the department shall enter  
10 such property on a state manufacturing property assessment roll ~~for each~~  
11 ~~municipality that has manufacturing property as set forth in subs. (1) and (2).~~  
12 Notification of the individual manufacturing property assessments contained in the  
13 roll shall be furnished by the department to the municipal clerk that identifies all  
14 such property by the municipality in which the property is located.

15 SECTION 9. 70.995 (7) (b) of the statutes is repealed.

16 ~~SECTION 10. 70.995 (8) (a) of the statutes is amended to read:~~

17 70.995 (8) (a) The secretary of revenue shall establish a state board of  
18 assessors, which shall be comprised of the members of the department of revenue  
19 whom the secretary designates. The state board of assessors shall investigate any  
20 objection filed under par. (c) ~~or (d)~~ if the fee under that paragraph is paid. The state  
21 board of assessors, after having made the investigation, shall notify the person  
22 assessed or the person's agent and the appropriate municipality of its determination  
23 by 1st class mail or electronic mail. Beginning with objections filed in 1989, the state  
24 board of assessors shall make its determination on or before April 1 of the year after  
25 the filing. If the determination results in a refund of property taxes paid, the state

1 ~~board of assessors shall include in the determination a finding of whether the refund~~  
2 ~~is due to false or incomplete information supplied by the person assessed. The person~~  
3 ~~assessed or the municipality having been notified of the determination of the state~~  
4 ~~board of assessors shall be deemed to have accepted the determination unless the~~  
5 ~~person or municipality files a petition for review with the clerk of the tax appeals~~  
6 ~~commission as provided in s. 73.01 (5) and the rules of practice promulgated by the~~  
7 ~~commission. If an assessment is reduced by the state board of assessors, the~~  
8 ~~municipality affected may file an appeal seeking review of the reduction, or may,~~  
9 ~~within 30 days after the person assessed files a petition for review, file a~~  
10 ~~cross-appeal, before the tax appeals commission even though the municipality did~~  
11 ~~not file an objection to the assessment with the board. If the board does not overrule~~  
12 ~~a change from assessment under this section to assessment under s. 70.32 (1), the~~  
13 ~~affected municipality may file an appeal before the tax appeals commission. If an~~  
14 ~~assessment is increased by the board, the person assessed may file an appeal seeking~~  
15 ~~review of the increase, or may, within 30 days after the municipality files a petition~~  
16 ~~for review, file a cross-appeal, before the commission even though the person did not~~  
17 ~~file an objection to the assessment with the board.~~

18       **SECTION 11.** 70.995 (8) (b) 1. of the statutes is renumbered 70.995 (8) (b) and  
19 amended to read:

20       70.995 (8) (b) The department of revenue taxation district in which the  
21 manufacturing property is located shall annually notify each manufacturer assessed  
22 under this section and ~~the municipality in which the manufacturing property is~~  
23 ~~located~~ of the full value of all real and personal property owned by the manufacturer  
24 that is located in the taxation district. The notice shall be in writing and shall be sent  
25 by 1st class mail or electronic mail. In addition, the notice shall specify that

\*\*\* NOTE: This is reconciled s. 70.995(8)(b). This section has been affected by LRB-1680/1 and LRB-1767/2.

1 objections to valuation, amount, or taxability must be filed with the state board of  
2 assessors within 60 days of issuance of the notice of assessment, that objections to  
3 a change from assessment under this section to assessment under s. 70.32 (1) must  
4 be filed within 60 days after receipt of the notice, that the fee under par. (c) 1. or (d)  
5 must be paid and that the objection is not filed until the fee is paid. A statement shall  
6 be attached to the assessment roll indicating that the notices required by this section  
7 have been mailed and failure to receive the notice does not affect the validity of the  
8 assessments, the resulting tax on real or personal property, the procedures of the tax  
9 appeals ~~commission~~ or of the state board of assessors, or the enforcement of  
10 delinquent taxes by statutory means.

office of the commissioner of

11 SECTION 12. 70.995 (8) (b) 2. of the statutes is repealed.

12 SECTION 13. 70.995 (8) (c) 1. of the statutes is amended to read:

13 70.995 (8) (c) 1. All objections to the amount, valuation, taxability, or change  
14 from assessment under this section to assessment under s. 70.32 (1) of property shall  
15 be first made in writing on a form prescribed by the department of revenue that  
16 specifies that the objector shall set forth the reasons for the objection, the objector's  
17 estimate of the correct assessment, and the basis under s. 70.32 (1) for the objector's  
18 estimate of the correct assessment. An objection shall be filed with the state board  
19 of assessors within the time prescribed in par. (b) 1. A \$45 fee shall be paid when the  
20 objection is filed unless a fee has been paid in respect to the same piece of property  
21 and that appeal has not been finally adjudicated. The objection is not filed until the  
22 fee is paid. Neither the state board of assessors nor the tax appeals ~~commission~~ may  
23 waive the requirement that objections be in writing. Persons who own land and  
24 improvements to that land may object to the aggregate value of that land and  
25 improvements to that land, but no person who owns land and improvements to that

office of the commissioner of

\*\*\* NOTE: This is reconciled s. 70.995(8)(c)1.

This section has been affected by LRB-1680/1 and LRB-1767/2.

1 land may object only to the valuation of that land or only to the valuation of  
2 improvements to that land.

3 SECTION 14. 70.995 (8) (c) 2. of the statutes is amended to read:

4 70.995 (8) (c) 2. A manufacturer who files an objection under subd. 1. may file  
5 supplemental information to support the manufacturer's objection within 60 days  
6 from the date the objection is filed. The state board of assessors shall notify the  
7 municipality taxation district in which the manufacturer's property is located of  
8 supplemental information filed by the manufacturer under this subdivision, if the  
9 municipality taxation district has filed an appeal related to the objection.

10 SECTION 15. 70.995 (8) (d) of the statutes is repealed.

11 SECTION 16. 70.995 (8) (dm) of the statutes is amended to read:

12 70.995 (8) (dm) The department shall refund filing fees paid under par. (c) 1.  
13 ~~or (d)~~ if the appeal in respect to the fee is denied because of lack of jurisdiction.

14 SECTION 17. 70.995 (10) of the statutes is amended to read:

15 70.995 (10) ~~Municipalities, and counties with a county assessor system,~~  
16 Taxation districts shall have access to all manufacturing property for the purpose of  
17 making appraisals of valuation of such property and may employ appraisal  
18 personnel, who need not be certified under s. 70.05 (4), for such purpose.

19 SECTION 18. 70.995 (11) of the statutes is repealed.

20 SECTION 19. 70.995 (12) (a) of the statutes is amended to read:

21 70.995 (12) (a) The department of revenue shall prescribe a standard  
22 manufacturing property report form that shall be submitted annually to the taxation  
23 district in which the property is located for each real estate parcel and each personal  
24 property account on or before March 1 by all manufacturers whose property is  
25 assessed under this section. The report form shall contain all information considered

*office of the commissioner of*

1 necessary by the department and shall include, without limitation, income and  
 2 operating statements, fixed asset schedules and a report of new construction or  
 3 demolition. Failure to submit the report shall result in denial of any right of  
 4 redetermination by the state board of assessors or the tax appeals ~~commission~~<sup>commissioner</sup>. If any  
 5 property is omitted or understated in the assessment roll in any of the next 5 previous  
 6 years, the assessor shall enter the value of the omitted or understated property once  
 7 for each previous year of the omission or understatement. The assessor shall affix  
 8 a just valuation to each entry for a former year as it should have been assessed  
 9 according to the assessor's best judgment. Taxes shall be apportioned and collected  
 10 on the tax roll for each entry, on the basis of the net tax rate for the year of the  
 11 omission, taking into account credits under s. 79.10. In the case of omitted property,  
 12 interest shall be added at the rate of 0.0267% per day for the period of time between  
 13 the date when the form is required to be submitted and the date when the assessor  
 14 affixes the just valuation. ~~In the case of underpayments determined after an~~  
 15 ~~objection under s. 70.995 (8) (d), interest shall be added at the average annual~~  
 16 ~~discount interest rate determined by the last auction of 6 month U.S. treasury bills~~  
 17 ~~before the objection per day for the period of time between the date when the tax was~~  
 18 ~~due and the date when it is paid.~~

19 SECTION 20. 70.995 (12) (b) of the statutes is amended to read:  
 20 70.995 (12) (b) The department of revenue taxation district shall allow an  
 21 extension to April 1 of the due date for filing the report forms required under par. (a)  
 22 if a written application for an extension, stating the reason for the request, is filed  
 23 with the department on or before March 1.

24 SECTION 21. 70.995 (12) (c) of the statutes is amended to read:

*\*\*\* NOTE: This is reconciled s. 70.995(12)(a). This section has been affected by LRB-1680/1 and LRB-1767/2.*

1           70.995 (12) (c) Unless the taxpayer shows that the failure is due to reasonable  
2 cause, if a taxpayer fails to file any form required under par. (a) for property that ~~the~~  
3 ~~department of revenue~~ was assessed during under this section in the previous year  
4 by the due date or by any extension of the due date that has been granted, the  
5 taxpayer shall pay to the ~~department of revenue~~ taxation district in which the  
6 property is located a penalty of \$25 if the form is filed 1 to 10 days late; \$50 or 0.05%  
7 of the previous year's assessment, whichever is greater, but not more than \$250, if  
8 the form is filed 11 to 30 days late; and \$100 or 0.1% of the previous year's  
9 assessment, whichever is greater, but not more than \$750, if the form is filed more  
10 than 30 days late. Penalties are due 30 days after they are assessed and are  
11 delinquent if not paid on or before that date. ~~The department~~ taxation district may  
12 refund all or part of any penalty it assesses under this paragraph if it finds  
13 reasonable grounds for late filing.

14           **SECTION 22.** 70.995 (12r) of the statutes is amended to read:

15           70.995 (12r) ~~The department of revenue~~ Each taxation district shall calculate  
16 the value of property located in the taxation district that is used in manufacturing,  
17 as defined in this section, and that is exempt under s. 70.11 (39) and (39m).

18           **SECTION 23.** 70.995 (13) of the statutes is repealed.

19           **SECTION 24.** 73.03 (2a) of the statutes is amended to read:

20           73.03 (2a) To prepare, have published and distribute to each property tax  
21 assessor and to others who so request assessment manuals. The manual shall  
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11 national register of historic places in Wisconsin or in this state's register of historic  
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18 assessors are required to comply with s. 70.32 (1g) and shall suggest procedures for  
19 doing so. The manual or a supplement to it shall specify per acre value guidelines  
20 for each municipality for various categories of agricultural land based on the income  
21 that could be generated from its estimated rental for agricultural use, as defined by  
22 rule, and capitalization rates established by rule. The manual shall include  
23 guidelines for classifying land as agricultural land, as defined in s. 70.32 (2) (c) 1. and  
24 guidelines for distinguishing between land and improvements to land. The cost of  
25 the development, preparation, publication and distribution of the manual and of

1 revisions and amendments to it shall be borne by the assessors and requesters at an  
2 individual volume cost or a subscription cost as determined by the department. All  
3 receipts shall be credited to the appropriation under s. 20.566 (2) (hi). The  
4 department may provide free assessment manuals to other state agencies or  
5 exchange them at no cost with agencies of other states or of the federal government  
6 for similar information or publications.

7 SECTION 25. 76.82 of the statutes is amended to read:

8 76.82 Assessment. The department, using the methods that it uses used to  
9 assess property under s. 70.995, shall assess the property that is taxable under s.  
10 76.81, including property that is exempt under s. 70.11 (27) from the tax under ch.  
11 70, at its value as of January 1.

12 SECTION 9345. Initial applicability; revenue.

13 (1) MANUFACTURING PROPERTY ASSESSMENTS. The treatment of sections 70.36 (3),  
14 70.44 (1), 70.511 (2) (c), 70.995 (title), (4), (5), (6), (7) (a) and (b), (8) (a), (b) 1. and 2.,  
15 (c) 2., ~~(d)~~ (d), (10), (11), (12) (a), (b), and (c), (12r), and (13), 73.03 (2a), and 76.82 of  
16 the statutes first applies to the property tax assessments as of January 1, 2004.

17 (END)

*Handwritten notes:*  
- "paren" with arrows pointing to lines 14 and 15.  
- "with respect to" in a box above "taxation districts".  
- "assessing manufacturing property" written below "taxation districts".  
- "assessing" written above "taxation districts".  
- "paren" with an arrow pointing to the closing parenthesis of "assessing manufacturing property".



1680/2 dv

D-N

JH

This draft reconciles LRB-1680/1 and LRB-1767/2.

Both LRB-1680 and LRB-1767 should continue to appear  
in the compiled bill.

JH

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

LRB-1680/2dn  
JK:cjs:cph

February 5, 2003

This draft reconciles LRB-1680/1 and LRB-1767/2. Both LRB-1680 and LRB-1767 should continue to appear in the compiled bill.

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  
2003 - 2004 LEGISLATURE

LRB-1680/2

JK:cjs:cph

DOA:.....Koskinen – BB0402, Property tax—function of DOR regarding  
manufacturing property

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**PROPERTY TAXATION**

Under current law, for local general property tax purposes, DOR identifies and assesses all manufacturing property located in this state and reports the value of such assessments to the municipalities in which manufacturing property is located. Under this bill, for local general property tax purposes, each taxation district identifies and assesses all manufacturing property located in the the taxation district.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

2 SECTION 1. 70.36 (3) of the statutes is amended to read:

3 70.36 (3) The word assessor whenever used in ss. 70.35 and 70.36 shall, in 1st  
4 class cities, be deemed to refer also to the commissioner of assessments of any such

1 city and, where applicable, shall be deemed also to refer to the department of revenue  
2 responsible for the manufacturing property assessment under s. 70.995.

3 **SECTION 2.** 70.44 (1) of the statutes is amended to read:

4 70.44 (1) Real or personal property omitted from assessment in any of the 2  
5 next previous years, unless previously reassessed for the same year or years, shall  
6 be entered once additionally for each previous year of such omission, designating  
7 each such additional entry as omitted for the year of omission and affixing a just  
8 valuation to each entry for a former year as the same should then have been assessed  
9 according to the assessor's best judgment, and taxes shall be apportioned, using the  
10 net tax rate as provided in s. 70.43, and collected on the tax roll for such entry. This  
11 section shall not apply to manufacturing property assessed by the department of  
12 revenue under s. 70.995.

13 **SECTION 3.** 70.511 (2) (c) of the statutes is amended to read:

14 70.511 (2) (c) If the reviewing authority increases the value of the property in  
15 question, the increase in value shall in the case of manufacturing property assessed  
16 by the department of revenue under s. 70.995 be assessed as omitted property as  
17 prescribed under s. 70.995 (12). In the case of all other property s. 70.44 shall apply.

18 **SECTION 4.** 70.995 (title) of the statutes is amended to read:

19 **70.995 (title) State assessment Assessment of manufacturing property.**

20 **SECTION 5.** 70.995 (4) of the statutes is amended to read:

21 70.995 (4) ~~Whenever real property or tangible personal property is used for~~  
22 ~~one, or some combination, of the processes mentioned in sub. (3) and also for other~~  
23 ~~purposes, the~~ The department of revenue, if satisfied that there is substantial use  
24 ~~in one or some combination of such processes, may assess the~~ shall establish  
25 standards and procedures for the assessment of property under this section. ~~For all~~

1 purposes of this section the department of revenue shall have sole discretion for the  
2 determination of what is substantial use and what description of real property or  
3 what unit of tangible personal property shall constitute “the property” to be included  
4 for assessment purposes, and, in connection herewith, the department may include  
5 in a real property unit, real property owned by different persons. Vacant property  
6 designed for use in manufacturing, assembling, processing, fabricating, making or  
7 milling tangible property for profit may be assessed under this section or under s.  
8 70.32 (1), and the period of vacancy may not be the sole ground for making that  
9 determination. In those specific instances where a portion of a description of real  
10 property includes manufacturing property rented or leased and operated by a  
11 separate person which does not satisfy the substantial use qualification for the entire  
12 property, the local assessor shall assess the entire real property description and all  
13 personal property not exempt under s. 70.11 (27). The applicable portions of the  
14 standard manufacturing property report form under sub. (12) as they relate to  
15 manufacturing machinery and equipment shall be submitted by such person and  
16 shall publish such standards and procedures in the property tax assessment manual  
17 provided under s. 73.03 (2a).

18 **SECTION 6.** 70.995 (5) of the statutes is amended to read:

19 70.995 (5) The department of revenue taxation district assessor of the taxation  
20 district in which the property is located shall assess all property of manufacturing  
21 establishments included under subs. (1) and (2) as of the close of January 1 of each  
22 year, if on or before March 1 of that year the department has classified the property  
23 as manufacturing or the owner of the property has requested, in writing, that the  
24 department make such a classification and the department later does so. A change  
25 in ownership, location, or name of the manufacturing establishment does not

1 ~~necessitate a new request.~~ In assessing lands from which metalliferous minerals are  
2 being extracted and valued for purposes of the tax under s. 70.375, the value of the  
3 metalliferous mineral content of such lands shall be excluded.

4 SECTION 7. 70.995 (6) of the statutes is repealed.

5 SECTION 8. 70.995 (7) (a) of the statutes is renumbered 70.995 (7) and amended  
6 to read:

7 70.995 (7) ~~Each manufacturing property assessed by~~ The taxation district  
8 assessor shall notify the department of revenue shall be entered of all manufacturing  
9 property located and assessed in the taxation district and the department shall enter  
10 such property on a state manufacturing property assessment roll ~~for each~~  
11 ~~municipality that has manufacturing property as set forth in subs. (1) and (2).~~  
12 ~~Notification of the individual manufacturing property assessments contained in the~~  
13 ~~roll shall be furnished by the department to the municipal clerk~~ that identifies all  
14 such property by the municipality in which the property is located.

15 SECTION 9. 70.995 (7) (b) of the statutes is repealed.

16 SECTION 10. 70.995 (8) (b) 1. of the statutes is renumbered 70.995 (8) (b) and  
17 amended to read:

18 70.995 (8) (b) ~~The department of revenue~~ taxation district in which the  
19 manufacturing property is located shall annually notify each manufacturer assessed  
20 under this section ~~and the municipality in which the manufacturing property is~~  
21 ~~located~~ of the full value of all real and personal property owned by the manufacturer  
22 that is located in the taxation district. The notice shall be in writing and shall be sent  
23 by 1st class mail or electronic mail. In addition, the notice shall specify that  
24 objections to valuation, amount, or taxability must be filed with the state board of  
25 assessors within 60 days of issuance of the notice of assessment, that objections to

1 a change from assessment under this section to assessment under s. 70.32 (1) must  
2 be filed within 60 days after receipt of the notice, that the fee under par. (c) 1. ~~or (d)~~  
3 must be paid and that the objection is not filed until the fee is paid. A statement shall  
4 be attached to the assessment roll indicating that the notices required by this section  
5 have been mailed and failure to receive the notice does not affect the validity of the  
6 assessments, the resulting tax on real or personal property, the procedures of the  
7 office of the commissioner of tax appeals commission or of the state board of  
8 assessors, or the enforcement of delinquent taxes by statutory means.

\*\*\*\*NOTE: This is reconciled s. 70.995 (8) (b). This SECTION has been affected by  
drafts with the following LRB numbers: LRB-1680/1 and LRB-1767/2.

9 **SECTION 11.** 70.995 (8) (b) 2. of the statutes is repealed.

10 **SECTION 12.** 70.995 (8) (c) 1. of the statutes is amended to read:

11 70.995 (8) (c) 1. All objections to the amount, valuation, taxability, or change  
12 from assessment under this section to assessment under s. 70.32 (1) of property shall  
13 be first made in writing on a form prescribed by the department of revenue that  
14 specifies that the objector shall set forth the reasons for the objection, the objector's  
15 estimate of the correct assessment, and the basis under s. 70.32 (1) for the objector's  
16 estimate of the correct assessment. An objection shall be filed with the state board  
17 of assessors within the time prescribed in par. (b) 1. A \$45 fee shall be paid when the  
18 objection is filed unless a fee has been paid in respect to the same piece of property  
19 and that appeal has not been finally adjudicated. The objection is not filed until the  
20 fee is paid. Neither the state board of assessors nor the office of the commissioner  
21 of tax appeals commission may waive the requirement that objections be in writing.  
22 Persons who own land and improvements to that land may object to the aggregate  
23 value of that land and improvements to that land, but no person who owns land and

1 improvements to that land may object only to the valuation of that land or only to the  
2 valuation of improvements to that land.

\*\*\*\*NOTE: This is reconciled s. 70.995 (8) (c) 1. This SECTION has been affected by  
drafts with the following LRB numbers: LRB-1680/1 and LRB-1767/2.

3 **SECTION 13.** 70.995 (8) (c) 2. of the statutes is amended to read:

4 70.995 (8) (c) 2. A manufacturer who files an objection under subd. 1. may file  
5 supplemental information to support the manufacturer's objection within 60 days  
6 from the date the objection is filed. The state board of assessors shall notify the  
7 ~~municipality~~ taxation district in which the manufacturer's property is located of  
8 supplemental information filed by the manufacturer under this subdivision, if the  
9 ~~municipality~~ taxation district has filed an appeal related to the objection.

10 **SECTION 14.** 70.995 (8) (d) of the statutes is repealed.

11 **SECTION 15.** 70.995 (8) (dm) of the statutes is amended to read:

12 70.995 (8) (dm) The department shall refund filing fees paid under par. (c) 1.  
13 ~~or (d)~~ if the appeal in respect to the fee is denied because of lack of jurisdiction.

14 **SECTION 16.** 70.995 (10) of the statutes is amended to read:

15 70.995 (10) ~~Municipalities, and counties with a county assessor system,~~  
16 Taxation districts shall have access to all manufacturing property for the purpose of  
17 making appraisals of valuation of such property and may employ appraisal  
18 personnel, who need not be certified under s. 70.05 (4), for such purpose.

19 **SECTION 17.** 70.995 (11) of the statutes is repealed.

20 **SECTION 18.** 70.995 (12) (a) of the statutes is amended to read:

21 70.995 (12) (a) The department of revenue shall prescribe a standard  
22 manufacturing property report form that shall be submitted annually to the taxation  
23 district in which the property is located for each real estate parcel and each personal



1 property account on or before March 1 by all manufacturers whose property is  
2 assessed under this section. The report form shall contain all information considered  
3 necessary by the department and shall include, without limitation, income and  
4 operating statements, fixed asset schedules and a report of new construction or  
5 demolition. Failure to submit the report shall result in denial of any right of  
6 redetermination by the state board of assessors or the office of the commission of tax  
7 ~~appeals commission~~. If any property is omitted or understated in the assessment roll  
8 in any of the next 5 previous years, the assessor shall enter the value of the omitted  
9 or understated property once for each previous year of the omission or  
10 understatement. The assessor shall affix a just valuation to each entry for a former  
11 year as it should have been assessed according to the assessor's best judgment. Taxes  
12 shall be apportioned and collected on the tax roll for each entry, on the basis of the  
13 net tax rate for the year of the omission, taking into account credits under s. 79.10.  
14 In the case of omitted property, interest shall be added at the rate of 0.0267% per day  
15 for the period of time between the date when the form is required to be submitted and  
16 the date when the assessor affixes the just valuation. ~~In the case of underpayments~~  
17 ~~determined after an objection under s. 70.995 (8) (d), interest shall be added at the~~  
18 ~~average annual discount interest rate determined by the last auction of 6-month~~  
19 ~~U.S. treasury bills before the objection per day for the period of time between the date~~  
20 ~~when the tax was due and the date when it is paid.~~

\*\*\*NOTE: This is reconciled s. 70.995 (12) (a). This SECTION has been affected by  
drafts with the following LRB numbers: LRB-1680/1 and LRB-1767/2.

21 **SECTION 19.** 70.995 (12) (b) of the statutes is amended to read:

22 70.995 (12) (b) The department of revenue taxation district shall allow an  
23 extension to April 1 of the due date for filing the report forms required under par. (a)

1 if a written application for an extension, stating the reason for the request, is filed  
2 with the department on or before March 1.

3 **SECTION 20.** 70.995 (12) (c) of the statutes is amended to read:

4 70.995 (12) (c) Unless the taxpayer shows that the failure is due to reasonable  
5 cause, if a taxpayer fails to file any form required under par. (a) for property that the  
6 ~~department of revenue was assessed during~~ under this section in the previous year  
7 by the due date or by any extension of the due date that has been granted, the  
8 taxpayer shall pay to the ~~department of revenue~~ taxation district in which the  
9 property is located a penalty of \$25 if the form is filed 1 to 10 days late; \$50 or 0.05%  
10 of the previous year's assessment, whichever is greater, but not more than \$250, if  
11 the form is filed 11 to 30 days late; and \$100 or 0.1% of the previous year's  
12 assessment, whichever is greater, but not more than \$750, if the form is filed more  
13 than 30 days late. Penalties are due 30 days after they are assessed and are  
14 delinquent if not paid on or before that date. ~~The department~~ taxation district may  
15 refund all or part of any penalty it assesses under this paragraph if it finds  
16 reasonable grounds for late filing.

17 **SECTION 21.** 70.995 (12r) of the statutes is amended to read:

18 70.995 (12r) ~~The department of revenue~~ Each taxation district shall calculate  
19 the value of property located in the taxation district that is used in manufacturing,  
20 as defined in this section, and that is exempt under s. 70.11 (39) and (39m).

21 **SECTION 22.** 70.995 (13) of the statutes is repealed.

22 **SECTION 23.** 73.03 (2a) of the statutes is amended to read:

23 73.03 (2a) To prepare, have published and distribute to each property tax  
24 assessor and to others who so request assessment manuals. The manual shall  
25 discuss and illustrate accepted assessment methods, techniques and practices with

1 a view to more nearly uniform and more consistent assessments of property at the  
2 local level. The manual shall be amended by the department from time to time to  
3 reflect advances in the science of assessment, court decisions concerning assessment  
4 practices, costs, and statistical and other information considered valuable to local  
5 assessors by the department. The manual shall incorporate standards for the  
6 assessment of all types of renewable energy resource systems used in this state as  
7 soon as such systems are used in sufficient numbers and sufficient data exists to  
8 allow the formulation of valid guidelines. The manual shall incorporate standards,  
9 which the department of revenue and the state historical society of Wisconsin shall  
10 develop, for the assessment of nonhistoric property in historic districts and for the  
11 assessment of historic property, including but not limited to property that is being  
12 preserved or restored; property that is subject to a protective easement, covenant or  
13 other restriction for historic preservation purposes; property that is listed in the  
14 national register of historic places in Wisconsin or in this state's register of historic  
15 places and property that is designated as a historic landmark and is subject to  
16 restrictions imposed by a municipality or by a landmarks commission. The manual  
17 shall incorporate general guidelines about ways to determine whether property is  
18 taxable in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in  
19 specific situations. The manual shall establish standards and procedures for the  
20 assessment of manufacturing property under s. 70.995. The manual shall state that  
21 assessors are required to comply with s. 70.32 (1g) and shall suggest procedures for  
22 doing so. The manual or a supplement to it shall specify per acre value guidelines  
23 for each municipality for various categories of agricultural land based on the income  
24 that could be generated from its estimated rental for agricultural use, as defined by  
25 rule, and capitalization rates established by rule. The manual shall include

1 guidelines for classifying land as agricultural land, as defined in s. 70.32 (2) (c) 1. and  
2 guidelines for distinguishing between land and improvements to land. The cost of  
3 the development, preparation, publication and distribution of the manual and of  
4 revisions and amendments to it shall be borne by the assessors and requesters at an  
5 individual volume cost or a subscription cost as determined by the department. All  
6 receipts shall be credited to the appropriation under s. 20.566 (2) (hi). The  
7 department may provide free assessment manuals to other state agencies or  
8 exchange them at no cost with agencies of other states or of the federal government  
9 for similar information or publications.

10 **SECTION 24.** 76.82 of the statutes is amended to read:

11 **76.82 Assessment.** The department, using the methods ~~that it uses~~ used to  
12 assess property under s. 70.995, shall assess the property that is taxable under s.  
13 76.81, including property that is exempt under s. 70.11 (27) from the tax under ch.  
14 70, at its value as of January 1.

15 **SECTION 9345. Initial applicability; revenue.**

16 (1) **MANUFACTURING PROPERTY ASSESSMENTS.** The treatment of sections 70.36 (3),  
17 70.44 (1), 70.511 (2) (c), 70.995 (title), (4), (5), (6), (7) (a) and (b), (8) (a) (with respect  
18 to taxation districts assessing manufacturing property), (b) 1. (with respect to  
19 taxation districts assessing manufacturing property) and 2., (c) 1. (with respect to  
20 taxation districts assessing manufacturing property) and 2., and (d), and (dm), (10),  
21 (11), (12) (a) (with respect to taxation districts assessing manufacturing property),  
22 (b), and (c), (12r), and (13), 73.03 (2a), and 76.82 of the statutes first applies to the  
23 property tax assessments as of January 1, 2004.

24 (END)