

2005 DRAFTING REQUEST

Bill

Received: 03/31/2005

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Terri McCormick (608) 266-7500

By/Representing: ryan

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Property - credits

Extra Copies:

Submit via email: YES

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

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

Pre Topic:

No specific pre topic given

Topic:

Property tax credit for disabled veterans

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 03/31/2005	jdyer 04/06/2005		_____			S&L
/1			rschluet 04/06/2005	_____	lnorthro 04/06/2005	lemery 04/11/2005	S&L

FE Sent For:

<END>

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/P1	jkreye	1/4/06 jlc	4	6			

4
6 5 <END>

FE Sent For:

Kreye, Joseph

From: Murray, Ryan M.
Sent: Thursday, March 31, 2005 1:22 PM
To: Kreye, Joseph
Subject: RE: Disabled Veterans Property Tax Exemption

Since a lot of veterans don't pay income taxes, Rep. McCormick would like it to be applied directory to the property tax bills. Thanks.

ryan

Ryan Murray
Research Assistant
State Rep. Terri McCormick
608-266-7500

From: Kreye, Joseph
Sent: Thursday, March 31, 2005 11:53 AM
To: Murray, Ryan M.
Subject: RE: Disabled Veterans Property Tax Exemption

Not much difference. In either case, the veteran would have to apply for the credit. For a property tax credit, the taxation district in which the property is located would receive the amount of the credit from the state and apply that amount to the veteran's property tax bill. The veteran would receive a bill for zero dollars, basically.

Under an income tax credit, the veteran would pay the property taxes, but receive the credit against his income tax liability. The veteran would get a refund, if the amount of the credit exceeds the veteran's tax liability.

From a drafting perspective, an individual income tax credit would be easier to create, but that's your call.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

-----Original Message-----

From: Murray, Ryan M.
Sent: Thursday, March 31, 2005 11:47 AM
To: Kreye, Joseph
Subject: RE: Disabled Veterans Property Tax Exemption

What would be the difference between the credit being applied to the property tax bill or having it as an income tax credit?

Ryan Murray
Research Assistant
State Rep. Terri McCormick
608-266-7500

From: Kreye, Joseph
Sent: Thursday, March 31, 2005 11:46 AM
To: Murray, Ryan M.
Subject: RE: Disabled Veterans Property Tax Exemption

Ryan,

To clarify: do you want a property tax credit to be applied directly to the veteran's property tax bill or an income tax credit in the amount of the property taxes paid?

Please note that both options present uniformity clauses issues similar to those presented by the bill. The Wisconsin Supreme Court has found that property tax relief measures are also subject to the uniformity requirement.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

-----Original Message-----

From: Murray, Ryan M.
Sent: Wednesday, March 30, 2005 4:07 PM
To: Kreye, Joseph
Subject: Disabled Veterans Property Tax Exemption

Joe-

Rep. McCormick would now like a whole new bill drafted that will create a property tax credit for the veterans in AB 242. She would also like it to include the substance of the substitute amendment that was done creating a three year phase in of the credit.

Then, she would like a substitute amendment done for the new bill that will change it back into an exemption, maintaining the three year phase in.

Let me know if you have any questions. Thanks.

Ryan Murray

Ryan Murray
Research Assistant
State Rep. Terri McCormick
608-266-7500



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-2610/P1

JK:.....

Jld
RMWTR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 3-31-05

D-V

Today
9-6

Gen

1 AN ACT ...; relating to: a property tax credit for disabled veterans and making
2 an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a property tax credit for the total amount of property taxes imposed on real property owned by a disabled veteran or by the unmarried surviving spouse of a disabled veteran, if the property is not used for pecuniary gain. The credit is applied directly to the claimant's property tax 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. 20.835 (3) (c) of the statutes is created to read:
4 20.835 (3) (c) *Disabled veterans tax credit.* A sum sufficient to make the
5 payments under s. 79.10 (4m).

6 SECTION 2. 74.09 (3) (b) 6. of the statutes is amended to read:

1 74.09 (3) (b) 6. The sum of the amount of the credit under s. 79.10 (5) (10) and
2 the amount of the credit under s. 79.10 (10m) allocable to the property for the
3 previous year and the current year, and the percentage change between those years.

4 History: 1987 a. 378; 1989 a. 31; 1991 a. 39, 60; 1997 a. 399; 1995 a. 27, 454; 1997 a. 27; 2003 a. 33, 95.

4 **SECTION 3.** 74.29 of the statutes is amended to read:

5 **74.29 August settlement.** On or before August 20, the county treasurer shall
6 pay in full to the proper treasurer all real property taxes, including taxes offset by
7 the ~~credit~~ ^{credits} under s. 79.10 (4m) and (5), and special taxes included in the tax roll which
8 have not previously been paid to, or retained by, the proper treasurer. A county may,
9 by resolution adopted by the county board, direct the county treasurer to pay in full
10 to the proper treasurer all special assessments and special charges included in the
11 tax roll which have not previously been paid to, or retained by, the proper treasurer.

12 History: 1987 a. 378; 1991 a. 39, 269.

12 **SECTION 4.** 79.10 (4m) of the statutes is created to read:

13 **79.10 (4m) DISABLED VETERANS TAX CREDIT.** The amount appropriated under s.
14 20.835 (3) (c) shall be distributed to municipalities in proportion to their share of the
15 sum of the claims for the credit under sub. (10m) for all municipalities.

16 **SECTION 5.** 79.10 (7m) (am) of the statutes is created to read:

17 79.10 (7m) (am) *Disabled veterans tax credit.* 1. The amount determined under
18 sub. (4m) shall be distributed by the department of administration on the 4th
19 Monday in July.

20 2. The town, village, or city treasurer shall settle for the amounts distributed
21 under this paragraph on the 4th Monday in July with the appropriate county
22 treasurer not later than August 15. Failure to settle timely under this subdivision
23 subjects the town, village, or city treasurer to the penalties under s. 74.31. On or

1 before August 20, the county treasurer shall settle with each taxing jurisdiction,
 2 including towns, villages, and cities except 1st class cities, in the county.

3 **SECTION 6.** 79.10 (9) (bc) of the statutes is created to read:

4 79.10 (9) (bc) *Disabled veterans tax credit.* Except as provided in ss. 79.175 and
 5 79.18, every property taxpayer who applies and is eligible for a credit under sub.
 6 (10m) shall receive the credit in the amount determined under sub. (10m).

7 **SECTION 7.** 79.10 (9) (c) 2. of the statutes is amended to read:

8 79.10 (9) (c) 2. The credit credits under par. pars. (b) and (bc) shall reduce the
 9 property taxes otherwise payable.

History: 1971 c. 125 ss. 412, 521; Stats. 1971 s. 79.10; 1973 c. 90; 1975 c. 39, 199; 1977 c. 29, 418; 1979 c. 110 s. 60 (11); 1981 c. 20 ss. 1174 to 1182n, 2202 (45) (b); 1981 c. 93, 314, 317; 1983 a. 2 ss. 6 to 10, 12; 1983 a. 3, 27; 1983 a. 189 s. 29 (17m); 1983 a. 395; 1985 a. 4, 29, 39, 120; 1987 a. 27, 378; 1991 a. 39, 225, 269, 323; 1993 a. 16; 1995 a. 27; 1997 a. 27, 164; 1999 a. 5, 9, 83, 84, 185; 2001 a. 16; 2003 a. 33.

10 **SECTION 8.** 79.10 (10m) of the statutes is created to read:

11 79.10 (10m) **DISABLED VETERANS TAX CREDIT.** (a) In this subsection, “disabled
 12 veteran” means a veteran who receives the following amount from the U.S.
 13 department of veterans affairs under 38 USC 1114 because of a permanent and total
 14 service-connected disability :

15 1. For the property tax assessment as of January 1, 2005, at least 80 percent
 16 disability compensation.

17 2. For the property tax assessment as of January 1, 2006, at least 70 percent
 18 disability compensation.

19 3. For the property tax assessment as of January 1, 2006, and for each
 20 assessment thereafter, at least 60 percent disability compensation.

21 (b) Beginning with the real property taxes levied in 2005, a disabled veteran
 22 or the unmarried surviving spouse of a disabled veteran may claim a tax credit
 23 against the property tax due on any of his or her real property, up to the total amount
 24 of that tax, if the property is not used for pecuniary gain.

1 (c) A person may claim the credit under par. (b) by applying for the credit on
2 a form prescribed by the department of revenue. The person shall file the form with
3 the treasurer of the county in which the property related to the claim is located or,
4 if the property is located in a city that collects taxes under s. 74.87, with the treasurer
5 of the city in which the property related to the claim is located. Subject to review by
6 the department of revenue, a treasurer who receives a completed form under this
7 paragraph shall direct that the property described in the form be identified on the
8 tax roll as property for which the person is entitled to receive the credit under par.
9 (b). A claim made under this paragraph is valid for 5 years.

10 (d) If a person who has applied for or received a credit under par. (b) becomes
11 ineligible for the credit, the person shall, within 30 days after becoming ineligible,
12 notify the treasurer of the county in which the property related to the claim is located
13 or, if the property is located in a city that collects taxes under s. 74.87, with the
14 treasurer of the city in which the property related to the claim is located. A treasurer
15 who receives notification under this paragraph shall correct the tax roll so that the
16 property for which a credit was claimed is no longer identified as property for which
17 the property owner is entitled to receive the credit under par. (b).

18 (e) If the department of revenue determines that a person who was not entitled
19 to a credit under par. (b) received the credit, the department of revenue shall instruct the
20 appropriate taxation district to collect the amount of the credit as a special charge
21 on the next property tax bill issued for the property for which the person received the
22 credit.

23 SECTION 9. Initial applicability.

24 (1) This act first applies to the property tax assessments as of January 1, 2005.

25 (END)

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

LRB-2610/P1dn

JK:.....

Jld

Representative McCormick:

✓

Please review this draft carefully to ensure that it is consistent with your intent.

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

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

LRB-2610/1dn
JK:jld:rs

April 6, 2005

Representative McCormick:

Please review this draft carefully to ensure that it is consistent with your intent.

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

Northrop, Lori

From: Murray, Ryan M.
Sent: Friday, April 08, 2005 1:14 PM
To: LRB.Legal
Subject: Draft review: LRB 05-2610/1 Topic: Property tax credit for disabled veterans

It has been requested by <Murray, Ryan M.> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-2610/1 Topic: Property tax credit for disabled veterans