

## Emery, Lynn

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**From:** Emery, Lynn  
**Sent:** Thursday, January 05, 2006 4:36 PM  
**To:** 'DRiemerMil@yahoo.com'  
**Subject:** LRB 05-2922/P3 & P3dn (attached per Pam Kahler)

**Attachments:** 05-2922/P3; 05-2922/P3dn



05-2922P3.pdf  
(231 KB)



05-2922P3dn.pdf  
(11 KB)

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## Kahler, Pam

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**From:** David Riemer [driermil@yahoo.com]  
**Sent:** Sunday, January 22, 2006 10:46 PM  
**To:** Kahler, Pam; Shovers, Marc; Kreye, Joseph  
**Cc:** lisa Ellinger; Ed Neuschler  
**Subject:** Additional Changes to LRB-2922/P3

**Attachments:** 3077518017-1-22-06 Memo to LRB.doc



1-22-06 Memo to  
LRB.doc (79 KB...

Pam, Marc, & Joe--

Attached is a memo outlining further changes needed to LRB-2922/P3.

There are actually fewer changes here than the memo's length suggests. I've included a large number of explanatory notes in order to explain my intent, so that if the proposed language changes raise concerns you'll nonetheless have a clear understanding of the objective.

Please feel free to contact me, by E-mail or phone, if you have questions.  
Thanks so much for your hard work on this!

David

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TO: Pamela J. Kahler, Senior Legislative Attorney, Legislative Reference Bureau  
Marc E. Shovers, Senior Legislative Attorney, Legislative Reference Bureau  
Joseph T. Kreye, Senior Legislative Attorney, Legislative Reference Bureau

FROM: David Riemer, Project Director, Wisconsin Health Project

CC: Lisa Ellinger, Assistant Director, Wisconsin Health Project

DATE: January 22, 2006

RE: LRB-2922/P3 and LRB-2922/P3dn

I've now had the time to carefully review the "P3" draft. Most of my comments relate to the non-tax provisions, but a few relate to the assessment provisions of the Wisconsin Health Plan and some may bear indirectly on some of the tax provisions.

Following (presented on a line-by-line basis) are the additional changes I would like to make in the draft. In a few cases, rather than spelling out needed changes, I have asked questions that ask for information needed to decide whether a change is needed.

With these changes, I believe the bill is ready for introduction.

LRB-2922/P3

- ✓ 1. Page 3, line 15: One-and-one-half percent may be more than is needed to cover the Department of Revenue's administrative and collection costs. However, let's keep it as is. If the Department of Revenue or Legislative Fiscal Bureau subsequently indicate that a smaller percent is more appropriate, that can be accomplished through amendment.
- ✓ 2. Page 4, lines 4 and 7. The draft refers to "amounts appropriated" for "family" Medicaid and BadgerCare. I see that the appropriation to the Department of Revenue for its administrative and collection costs is included in this bill (Page 3, lines 12-16, creating Section 3 of this bill and Sec. 20.566(2)(s) of the statutes. However, I assume that the two appropriations to "family" Medicaid and BadgerCare are references to appropriations *not* made in this bill, i.e., that would be made pursuant to other statutes and/or budget bills, since I couldn't find in this bill any explicit appropriations of amounts to "family" Medicaid or BadgerCare). Let me know if this understanding is incorrect, i.e., if I overlooked explicit appropriations in *this* bill to "family" Medicaid and BadgerCare.
- ✓ 3. P. 4, Note between lines 13—14. OK. Thanks for the explanation.
- ✓ 4. P. 4, line 19. Insert "at least" before "98.5 percent". Since the appropriation to the Department of Revenue for its administrative and collection costs is "equal to *no more than* one and one-half percent" (Page 3, line 15, emphasis added), it's quite possible that the amount that goes to DOR could be *less than* 1.5% of the moneys collected under s.

is correct

260.50. This means that the amount deposited into the Health Insurance Purchasing Trust Fund created by the new Sec. 25.775 could be *more than* 98.5% of the moneys collected under s. 260.50. The way the one-and-one-half percent limit is expressed therefore means that *at least* 98.5% of moneys collected will go into the Trust Fund. It could be only 98.5%; it could also be more. Thus, inserting “at least” before 98.5 percent” reconciles the two numbers.

✓ 5. P. 51, between lines 22-23. As we discussed when we met in your offices, it makes sense to eliminate an explicit requirement that “eligible residents” must meet the narrow test of being subject to Wisconsin’s income tax. However, we also discussed—and I believe agreed—that, rather than simply eliminate the income tax test, we should have “eligible residents” meet a new, broader test of having a substantial presence in Wisconsin. Following is some wording that begins to get at the policy, which I do believe is an essential one:

“(b) The individual maintains a substantial presence in this state, as defined by the corporation based on such factors as residency in this state for at least six months, payment of a significant amount of taxes in this state, residency in this state for at least six months or payment of a significant amount of taxes in this state by the parent or guardian of the individual in cases where the individual is attending school outside of this state and is less than 23 years of age, residency in this state for at least six months or payment of a significant amount of taxes in this state by the parent, guardian, or spouse of the individual in cases where the individual is serving outside of this state in the armed services of the United States, or such other factors as the corporation determines are appropriate indices of a substantial presence in this state.”

Current subsections (b), (c), and (d) would then be re-lettered as (c), (d), and (e).

I realize this is long, and indeed cumbersome. If you can think of a way to simplify it, as well as improve on the wording, please do. But I do believe that the overall approach—define the general standard (“substantial presence”), list some typical factors that prove compliance with the general standard, but give the corporation authority to add, subtract, and modify the factors and make the final decision—is a logical way to go.

✓ 6. P. 52, line 3. Should there be an “is” before “granted”? *could be but not nec.*

✓ 7. P. 52, between lines 5-6. To be consistent with the policy established in Sec. 260.50(3)(c) on P. 66, lines 20-24, of exempting employers and employees who remain subject to collective bargaining agreements that provide health care coverage from paying the assessments required by that section, I believe that the definition of “eligible resident” needs to temporarily exclude any employee, spouse, or dependent child who receives health care coverage under such a collective bargaining agreement until the agreement expires. I propose the following new subsection (f):

“(f) The individual is not a person who receives health care coverage pursuant to a collective bargaining agreement that remains in effect between a union and an employer

that, under s. 260.50(3)(c), allows the employer to exclude from the amount of social security wages subject to the assessment under s. 260.50(3)(a) the amount of social security wages of any employee who receives coverage under the agreement.”

Again, I realize this is long and awkward. Please improve wording. But it would not be fair to allow such persons to be “eligible residents” who get health insurance purchasing accounts when neither their employers nor they are paying the assessment.

✓ 8. P. 53, line 11. The draft indicates that as a “condition” for the release of funds, the corporation must do all the things listed on pages 53-54. I want to be sure that use of the word “condition” here does not mean that the corporation must do all the things listed *before* funds are released to the corporation. I assume that the use of the word “condition” instead means that, *following* release of the funds to the corporation and as a requirement for continued receipt of funds, the corporation must do all the things listed. Please confirm.

yes -  
backforce -  
simultaneous

✓ 9. P. 55, line 3. After “each eligible resident” and before the period, insert: unless the eligible resident notifies the corporation that, for religious reasons, the eligible resident does not wish to have an account”.

✓ 10. P. 55, line 19. Delete “In” and substitute: “Subject to s. 260.20(5), in”. The goal is to start off each adult “eligible resident’s” Health Savings Account with \$500. But if the corporation determines that there’s an imbalance between revenues and expenses, the corporation under s. 260.20(5) needs to be able to propose reducing the HSA amount and then needs to have the authority under that section to be able to actually reduce the amount as one means (among others) of bringing revenues and expenses into line. The proposed language—and perhaps there’s a better way to say it—is intended to make clear that the \$500 start-up amount for HSAs is not absolute, but could be reduced under the process spelled out in s. 260.20(5).

come back to  
after working on  
260.20(5)

✓ 11. P. 55, line 19. Delete “The” and substitute: “Subject to s. 260.20(5), the”. SAME RATIONALE AS ITEM #10, ABOVE, re: the annual inflationary adjustment in the HSA amount. The goal is to increase the HSA payment annually by the growth in the CPI. But the corporation needs the authority to reduce not only the “base” HSA amount but the annual inflationary adjustment as one tool for keeping revenues and expenses in line.

✓ 12. P. 56, line 6. Delete “established” and substitute “certified”. The policy is not have the corporation establish healthy lifestyle protocols, but rather to have the corporation certify that protocols established by others have been shown by the scientific evidence to reduce health care costs.

✓ 13. Page 56, line 20. After “eligible residents” and the period, insert the following new sentence: “The corporation shall ensure that eligible residents in each county in this state have a choice of at least two health care plans offered by two different insurers.”

✓14. Page 57. Line 5. After “health care plan’s”, insert “risk-adjusted cost and”. Delete the “and” at the end of the sentence. Line 6: Delete “cost” and the period. These changes are intended to ensure that the corporation, in ranking health care plans in three tiers, bases the ranking on *risk-adjusted* cost. Also, these changes are meant to underscore that risk-adjusted cost is the primary basis for the rankings, with quality being a second factor.

✓15. Page 57, lines 11-17. Please delete the entire paragraph and substitute the following:

“(b) The corporation shall determine the out-of-pocket monthly premium amounts that eligible residents must pay to enroll in Tier 2 health care plans and Tier 3 health care plans. The out-of-pocket monthly premium amounts shall be based on the actual differences in risk-adjusted cost between Tier I and Tier 2 health care plans, and between Tier I and Tier 3 health care plans.”

The deleted text did not fully capture the intent of the proposed policy. For example, the deleted text indicated that eligible residents might have to pay a n out-of-pocket monthly premium amount to enroll in a Tier I health care plan, whereas the policy is to require such out-of-pocket payments only for Tier 2 and Tier 3 health care plans. Also, the deleted text indicates that the gap between Tier 2 and Tier 3 plan costs is the basis for deciding what the out-of-pocket payment should be to enroll in a Tier 3 plan, whereas the proposed policy is to focus on tier I—and the difference between Tier I risk-adjusted costs vs. Tier 2 risk-adjusted costs and Tier 1 risk-adjusted costs vs. Tier 3 risk-adjusted costs-- in determining the out-of-pocket payments to enroll in Tier 2 and 3 plans. The proposed language more accurately captures the intent of the proposed policy.

✓16. Page 57, line 23. After “be”, insert “randomly”.

✓17. Page 57. Note after line 23. Yes. It is important to clarify what happens to “eligible residents” who do not select a plan. The language proposed is fine, but I believe it would be improved by specifying that the assignment of the “non-choosing” to Tier I plans would be done on a random basis. This assures “eligible residents” that, if they don’t pick a plan, their assignment to Tier I plans won’t be done in a way that carries out somebody’s agenda.

✓18. Page 58, line 6. Before the colon, insert “as defined by the corporation”. The current language authorizes the corporation to define emergency care, but it may also be necessary for the corporation to define several of the other preventive care categories as several of these other categories are not necessarily self-explanatory, e.g., prenatal care or well-baby care. This change gives the corporation clear authority to define *any* of the preventive care categories that it determines require further definition.

✓19. Page 58, line 7. Delete “as defined by the corporation”. SEE EXPLANATION OF ITEM #18.

✓20. Page 58, line 11. After “immunizations”, insert: “for children up to 18 years of age”. The intent is to provide cost-free immunizations to children only. Adults may also from

time to time require immunizations, e.g., tetanus, or certain immunizations recommended for travelers to tropical climates. But such immunizations for adults should not be cost-free; the adults who receive them should pay for them (either with their HSA balances or out-of-pocket) up to the point where insurance kicks in.

- ✓ 21. Page 58, line 18. Insert “scientific” before “evidence”.
- ✓ 22. Page 58. Note after line 19. Yes. Deductibles, coinsurance, and co-payments should *not* apply to the preventive benefits listed in s. 260.20 (2).

NOTE: The next eight items are related. Together, they clarify the procedure the corporation will follow if it determines that assessment revenue and benefits will be out of alignment during future years. In particular, they clarify that (a) cutting back the HSA payment is an option for balancing revenues and expenses, and (b) while the corporation may recommend an assessment increase as the option (or part of the recommended option) it wants the legislature to follow to balance revenues and expenses, it also needs to spell out a preferred option that does *not* involve an assessment increase—but that only involves an HSA cut and/or benefit cuts, and that would automatically go into effect as the “default”—in the event that the legislature takes no action at all to balance revenues and expenses.

- ✓ 23. Page 59, line 15. After “insufficient”, insert: “to keep revenues and expenses in balance for one or more designated years”.
- ✓ 24. Page 59, line 17. After “level”, insert: “and bring revenues and expenses into balance for the designated years”.
- ✓ 25. Page 59, line 18. Delete “benefit”. After “reductions”, insert: “in the health savings account payment under s. 260.10(10(b)2 or reductions in benefits under this section”.
- ✓ 26. Page 59, line 19. After “assessment”, insert: “and bring revenues and expenses into balance for the designated years”.
- ✓ 27. Page 59, line 20. Delete “benefit reductions”, and insert: “assessment increase, reductions in the health savings account payment under s. 260.10(10(b)2 or reductions in benefits under this section, or combination of increase and reductions”. Also, delete “prefers” and substitute: “recommends to and bring revenues and expenses into balance for the designated years”.
- ✓ 28. Page 59, after line 20. Add a new subparagraph:

5. If this chapter is not amended, prior to the beginning of the first of the designated years, so as to alter either the assessment formula, the health savings account payment under s. 260.10(10(b) 2, or the benefits provided under this section, what reductions in the health savings account payment under s. 260.10(10(b) 2 or reductions in

benefits under this section that the corporation prefers to bring revenues and expenses into balance for the designated years.

- ✓ 29. Page 59, line 21. Delete “that implements a different solution ” and insert: “prior to the beginning of the first of the designated years to bring revenues and expenses into balance for the designated years”.
- ✓ 30. Page 59, line 22. Delete “benefit reductions under par. (a) 4” and insert: “reductions in the health savings account payment under s. 260.10(10(b)2 or reductions in benefits under this section specified under par. (a) 5.

NOTE: The next two items are related. Under Sec. 260.15(2)(b) as revised by these comments, the corporation has already determined the *amount* that an “eligible resident” must pay to enroll in a Tier 2 or Tier 3 health care plan. These changes clarify that the “eligible resident” must indeed pay such amounts to the plans as a condition of enrollment in such plans.

- ✓ 31. Page 59, line 23. Delete “with” and substitute “who selects”.. *no - can be assigned to a Tier 1 also*

- ✓ 32. Page 60, lines 2-4. Delete the current text, and substitute:

“(b) An eligible resident who selects coverage under a Tier 2 or Tier 3 health care plan shall be required to pay to the chosen Tier 2 or Tier 3 health care plan, as a condition of enrollment, the out-of-pocket monthly premium determined by the corporation under s. 260.15(2)(b) to be necessary to enroll in a Tier 2 or Tier 3 health care plan.”

NOTE: The next two items are related. They both clarify that no cost-sharing is required for the preventive benefits defined in Sec. 260.20(2).

- ✓ 33. Page 60, line 5. Delete “Subject” and substitute: “Except as provided in s. 260.20(2) and subject”.
- ✓ 34. Page 60, line 11. . Delete “Subject” and substitute: “Except as provided in s. 260.20(2) and subject”.

NOTE: The next five items are related. They seek to make clear that the coinsurance rates referred to for “preferred” brand-name drugs or “non-preferred” brand-name drugs are *in addition to* the underlying 10-20% coinsurance applicable to medical, hospital, and prescription drug costs in general. They also authorize the corporation, should it decide to apply an additional flat-dollar copayment amount (rather than an additional coinsurance percentage) for use of “preferred” brand-name drugs or “non-preferred” brand-name drugs, to select the specific copayment dollar amount rather than be limited to the \$15 or \$35 amounts originally indicated.

- ✓ 35. Page 60, line 15. Delete “generic” and substitute “prescription”.



- ✓36. Page 60, line 18. After “either” insert: “an additional”.
- ✓37. Page 60, line 19. Delete “a copayment of \$15” and insert: “an additional copayment”.
- ✓38. Page 60, line 22. After “either” insert: “an additional”.
- ✓39. Page 60, line 23. Delete “a copayment of \$35” and insert: “an additional copayment”.

✓40. Page 61, after line 7. No. The maximum out-of-pocket amounts should *not* include any additional premium paid by “eligible residents” to enroll in a Tier 2 or Tier 3 plan. The current draft language on this point is correct.

✓41. Page 61, line 14. Delete the comma after “deductible”, delete the words “coinsurance, copayment”, and delete the comma after copayment.

Reason: Since coinsurance is a percentage of costs rather than a flat dollar amount, there’s no reason or basis for adjusting a *percentage* based on annual changes in the CPI. And since (as noted in Items #37 and #39 above) all reference to specific flat-dollar copayment amounts has been eliminated, there are no longer any specific flat-dollar copayment amounts left in the bill to adjust by using annual CPI changes. Rather, if the corporation should decide to use its discretion to establish additional copayments (in lieu of additional coinsurance) for “preferred” brand-name drugs or “non-preferred” brand-name drugs, the corporation can modify whatever flat dollar amounts it settles upon as it sees fit...perhaps using CPI to make adjustments, perhaps using another technique to avoid bizarre copayment amounts that the use of CPI might result in.

✓42. Page 62, after line 5. Let’s switch to the alternative language you propose in the note to define the length of exclusion under Sec. 260.30(2). That is:

“(2) LENGTH OF EXCLUSION. A preexisting condition exclusion under sub.(1) may not extend beyond the date on which the eligible resident has been covered under this chapter for a total of 18 months.”

✓43. Page 62, line 22. Delete ‘Nurses Association’ and substitute: “Federation of Nurses and Health Care Professionals”.

*add instead, i.e., have both*

✓44. Page 63, after line 1. Even though the proposed Health Care Advisory committee does not fit the mold, we would like to go with it. Within the corporate world—and this is a private corporation—committees are not necessarily (or even typically) short-term or advisory in nature. They are frequently permanent, “standing” committees with ongoing responsibilities. The proposed Health Care Advisory may not fit the government mold, but it fits the corporate mold. As for the question of length of term, let’s be silent. The various appointing bodies should be free to make their appointments for as long (or short) as they wish.

✓ 45. Page 63, after line 4. Please insert language requiring the Private Health Insurance Purchasing Corporation to vote on all recommendations made to the corporation by the Health Care Advisory Committee. (If this is the wrong place in the bill to include this requirement, please include it at a more appropriate place.)

✓ 46. Page 63, lines 15 and 16. I believe this might read more smoothly if we deleted “to adopt” and substituted: “relating to”. While the goal is to create incentives for individuals to adopt healthier lifestyles, the goal with respect to employers is not to get them (i.e., the employers) to adopt healthier lifestyles but to encourage them to institute programs that induce their *employees* (and families) to adopt healthier lifestyles. I believe some sort of replacement language for the words “to adopt” is necessary to capture the dual intent here. If “relating to” is not the best substitute language, please use other words that you feel are more appropriate.

✓ Also: Page 63, lines 19-20, and page 64, lines 1-2. Delete these lines. The corporation’s authority to increase eligible residents’ Health Savings Accounts as a reward for following a healthy lifestyle is also covered by Sec. 260.10 (1) (b) 4 on Page 56, lines 4-8. The deleted language adds nothing in terms of policy, but its use of slightly different language may cause confusion.

47. Page 65, line 8. Shouldn’t we delete the words “is paid by, or earned while working for, a person who is domiciled in this state” and substitute something like: “are subject to taxation by Wisconsin as income under Wisconsin’s individual income tax law”?

If a non-Wisconsin resident works for a Wisconsin firm (“i.e., a person who is domiciled in this state”), such a non-resident’s earnings should not be assessed since the non-resident cannot be an “eligible resident” who qualifies for a Health Insurance Purchasing Account. In other words, we don’t want to assess New Yorkers who work for Northwestern Mutual Life or Californians who work for Oscar Mayer to pay for health insurance that they don’t qualify for simply because their employers (NML and Oscar Mayer) are domiciled in Wisconsin. Rather, the aim of this provision is to distinguish between “non-Wisconsin earnings”, i.e., earnings made by a Wisconsin resident while working out-of-state (regardless of where the employer was domiciled) that, because of the non-Wisconsin setting where the work took place, are subject to taxation by the other jurisdiction and are not subject to taxation by Wisconsin vs. “Wisconsin earnings, i.e., earnings made by Wisconsin residents while working anywhere (again, regardless of where the employer was domiciled) that, because of either the Wisconsin setting where the work took place or other factors that subject the earnings to taxation by Wisconsin, are indeed subject to taxation by Wisconsin under its individual income tax law and are thus subject to the Wisconsin Health Plan’s assessments of employees and employers.

✓ 48. Page 65, line 21. Delete “an employer and”. This provision applies to *all* persons who have no or low Wisconsin earnings and “high” federal AGI, i.e., both to individuals who have an out-of-state employer (but no in-state employer) and to those who have no employer at all. Thus, the reference to “an employer” should be deleted.

I added “to whom par.(a) does not apply”

NOTE: The next four items are related. Their purpose is to add a new provision that, consistent with Sec.260.40 (2)(a), explicitly authorizes a reduction in the employer assessment if the employer has instituted a workplace wellness program that lowers total health care costs. It's not clear to me that the language of Sec.260.40 (2)(a) concerning incentives for employers is, by itself, sufficient to allow such a reduction in the employer assessment, i.e., such a departure from the "standard" employer assessment schedule. To make absolutely sure that such a departure is OK, I believe the new provision may be needed.

✓ 49. Page 66, lines 5. After "(c)", insert: "and (d)".

✓ 50. Page 66, line 16. Delete "(c)" and substitute: "(d)".

✓ 51. Page 66, after line 19. Insert the following new paragraph (c):

"(c) The corporation may reduce the amount paid by an employer under par. (a) if the corporation determines that the employer has successfully instituted a work-based program certified by the corporation under s.260.40(2)(a) to be an evidence-based program that has been shown to improve the health status of employees and their families. Any reduction in the amount paid by the employer shall be no greater than the amount that the corporation has determined, based on the evidence, to be equal to the total average savings in health care cost that the scientific evidence indicates will result from implementation by such an employer of such a program. "

✓ 52. Page 66, line 20. Delete "(c)" and substitute "(d)".

NOTE: The next two items are related. See Item #54 for the explanation.

✓ 53. Page 66, line 22: After "may", insert: "for the duration of the agreement"

✓ 54. Page 66, line 23. After "(a)", insert: "and (b)". The intent here is to ensure that, if a collective bargaining agreement that provides health care coverage to employees is in effect on January 1, 2009, and has not yet expired, then *both* of the two assessments imposed by Sec. 260.50(3)—that is, the employer assessment under par. (a) *and* the employee assessment under par. (b)—would not apply with respect to the Social Security wages of employees who receive health care coverage under the agreement. As now drafted, it seems to me that this exemption applies only to the employer assessment. I'm not sure that the proposed language change accomplishes the intent of applying the exemption to *both* the employer *and* the employee assessment. If not, please do what's necessary to accomplish the intent.

✓ 55. Two other statutory changes should be made in other health-related chapters of the statutes in order to make them consistent with this new chapter:


✓ A. HIRSP: As we discussed when we met, HIRSP should be amended so that “eligible residents” who qualify for Health Insurance Purchasing Accounts do not qualify for eligibility for HIRSP.

✓ B. BadgerCare: As I believe we also discussed, the 5% of family income “premium share” now required for persons at or above 150% of the poverty line to enroll in BadgerCare should be repealed. Since we’re now requiring all employees to have 2% of their earnings deducted from their paychecks, it would be unfair to also ask low-income enrollees in BadgerCare at or above 150% of poverty to *also* pay 5% of income.

## Kahler, Pam

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**From:** David Riemer [driermil@yahoo.com]  
**Sent:** Monday, January 23, 2006 10:51 AM  
**To:** Kahler, Pam  
**Cc:** Shovers, Marc; Kreye, Joseph; Lisa Ellinger  
**Subject:** One Further Change



Pam--

In LRB-2922/P3, on page 62, line 5, re: membership of the Health Care Advisory Committee. Instead of replacing the Wisconsin Nurses Association with the Wisconsin Federation of Nurses and Health Care Professionals, could you please KEEP the Wisconsin Nurses Association but ADD the Wisconsin Federation of Nurses and Health Care Professionals.

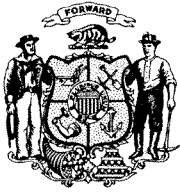
Thanks.

David

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State of Wisconsin  
2005 - 2006 LEGISLATURE

r m is r m  
LRB-2922/PB  
PJK/JK/MES:lk&wj:rs  
P4  
RAC/

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note  
Wed, 2-15

LPS: PLS PWF  
RAC inserts

regenerate ↓ ✓

LPS:  
PLS create a.r.s

1 AN ACT *to repeal* 20.835 (1) (e), 70.11 (39) and (39m), 70.111, 70.112 (1), (5) and  
2 (6), 70.13, 70.14, 70.15, 70.18, 70.19, 70.20, 70.21, 70.22, 70.29, 70.30, 70.34,  
3 70.345, 70.35, 70.36, 70.47 (15), 70.53 (1) (a), 70.64 (3) (c), 70.65 (2) (a) 2., 70.68,  
4 70.995 (12r), 71.91 (5m) (b), 74.11 (4), 74.11 (11) (b), 74.11 (12) (a) 1g., 74.11 (12)  
5 (d), 74.12 (6), 74.12 (11) (a) 1g., 74.12 (11) (d), 74.13 (3), 74.25 (1) (b) 1., 74.30  
6 (1) (i), 74.42, 74.47 (3) (e), 74.55, 76.69, 79.095 and 121.06 (4); *to renumber*  
7 71.91 (5m) (a) and 74.11 (11) (a); *to renumber and amend* 71.27 (1), 71.27 (2),  
8 71.46 (1), 71.46 (2) and 74.87 (3) (a); *to consolidate, renumber and amend*  
9 70.65 (2) (a) (intro.) and 1. and 74.25 (1) (b) (intro.) and 2.; *to amend* 17.14 (1)  
10 (g), 26.03 (1m) (b) (intro.), 33.01 (9) (a), 33.01 (9) (am) 1., 33.01 (9) (am) 2., 33.01  
11 (9) (ar) 1., 33.01 (9) (b) 1., 38.28 (2) (b) 2., 66.0235 (2) (b), 66.0235 (2c) (a) 2.,  
12 66.0435 (3) (c) 1. (intro.), 66.0435 (3) (c) 1. b., 66.0435 (3) (g), 66.0435 (9), 66.0517  
13 (3) (b) 1., 66.1105 (2) (j), 67.101 (1) (b), 70.01, 70.05 (5) (a) 1., 70.05 (5) (a) 1m.,  
14 70.07 (6), 70.075 (6), 70.10, 70.11 (4m) (a), 70.11 (9), 70.11 (11), 70.11 (12) (b),  
15 70.11 (13), 70.11 (15), 70.11 (26), 70.11 (31), 70.11 (32), 70.112 (4) (b), 70.17 (1),

1 70.174, 70.365, 70.40 (5), 70.41 (5), 70.42 (5), 70.421 (1), 70.421 (5), 70.43 (2),  
2 70.44 (1), 70.47 (7) (aa), 70.47 (14), 70.47 (16) (a), 70.48, 70.49 (2), 70.50, 70.52,  
3 70.555, 70.65 (2) (b) (intro.), 70.73 (1) (b), 70.73 (1) (c), 70.73 (1) (d), 70.84, 70.995  
4 (1) (a), 70.995 (4), 70.995 (7) (b), 70.995 (8) (b) 1., 70.995 (12) (a), 71.07 (9e) (af)  
5 (intro.), 71.17 (2), 71.23 (2), 71.35, 71.46 (3), 71.80 (1) (a), 73.03 (20), 73.06 (3),  
6 74.05 (1), 74.09 (2), 74.11 (6) (a), 74.11 (10) (a), 74.11 (12) (a) (intro.), 74.11 (12)  
7 (b), 74.12 (7), 74.12 (8), 74.12 (9) (a), 74.12 (10) (a), 74.12 (11) (a) (intro.), 74.12  
8 (11) (b), 74.13 (1) (b), 74.27, 74.30 (1m), 74.83, 76.025 (1), 76.03 (1), 76.07 (4g)  
9 (c) 1., 76.07 (4g) (c) 2., 76.125 (1), 76.48 (1r), 76.81, 77.04 (1), 77.54 (3) (b) 1.,  
10 77.84 (1), 79.03 (3) (b) 3., 79.03 (3) (b) 4. (intro.), 79.10 (1) (dm), 121.004 (6),  
11 121.15 (4) (a), 121.90 (2) (intro.), 174.06 (5), 174.065 (3), 174.08 (1), 198.10 (1),  
12 200.13 (2), 815.18 (3) (intro.) and 978.05 (6) (a); and **to create** 13.94 (1s) (c) 4.,  
13 20.566 (2) (s), 20.855 (8m), 25.17 (1) (gd), 25.775, 25.835 (1) (em), 66.0435 (1)  
14 (hm), 71.07 (9e) (aj), 71.23 (4), 71.27 (1) (a) to (h), 71.27 (2) (a) to (h), 71.405,  
15 71.43 (3), 71.46 (1) (a) to (h), 71.46 (2) (a) to (h), 71.83 (1) (ce), subchapter XVI  
16 of chapter 71 [precedes 71.98], 79.096 and chapter 260 of the statutes; **relating**  
17 **to:** creating the Private Health Insurance Purchasing Corporation of  
18 Wisconsin, establishing a health insurance purchasing arrangement through  
19 the use of private accounts for all state residents, expanding and increasing the  
20 earned income tax credit, repealing the personal property tax and corporate  
21 income and franchise taxes, adopting federal law as it relates to health savings

1 accounts for state income and franchise tax purposes, making appropriations,  
2 and providing a penalty.

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

This is a preliminary draft. An analysis will be provided in a later version.

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** 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:***

Insert 3-12  
RAC

③ → INS PURPLE SECTION 1. 13.94 (1s) (c) ④ 5 of the statutes is created to read:  
④ 13.94 (1s) (c) ④ 5 The Private Health Insurance Purchasing Corporation of  
5 Wisconsin for the cost of the audits under s. 260.05 (4).

⑥ → INS BLUE SECTION 2. 17.14 (1) (g) of the statutes is amended to read:  
7 17.14 (1) (g) Failure to use the "Wisconsin Property Assessment Manual"  
8 provided under s. 73.03 (2a) and as required by s. 70.32 (1) and 70.34. The  
9 certification of any assessor removed under this paragraph may for sufficient reason  
10 be reinstated by the secretary of revenue after one year upon formal application for  
11 reinstatement.

⑫ SECTION 3. 20.566 (2) (s) of the statutes is created to read:  
13 20.566 (2) (s) *Private health insurance purchasing corporation assessment*  
14 *administration.* From the health insurance purchasing trust fund, a sum sufficient  
15 equal to no more than one and one-half percent of all moneys collected under s.  
16 260.50 (4) for the administration and collection of the assessments under s. 260.50.

\*\*\*NOTE: This appropriation is what DOR retains for its administrative expenses in collecting the assessments. Is this consistent with your intent?

17 SECTION 4. 20.835 (1) (e) of the statutes is repealed.



1           **SECTION 5.** 20.855 (8m) of the statutes is created to read:

2           20.855 **(8m)** PRIVATE HEALTH INSURANCE PURCHASING CORPORATION OF  
3 WISCONSIN. (r) *Health insurance purchasing accounts and administration.* After  
4 deducting the amounts appropriated for the state's share of benefits and  
5 administrative costs under the Medical Assistance program that are attributable to  
6 the low-income families category, as determined under 2005 Wisconsin Act .... (this  
7 act), section 178 (1) (b), the amounts appropriated for the state's share of benefits and  
8 administrative costs under the Badger Care health care program under s. 49.665,  
9 and the amount appropriated under s. 20.566 (2) (s), the balance of the moneys paid  
10 into the health insurance purchasing trust fund to be paid to the Private Health  
11 Insurance Purchasing Corporation of Wisconsin for establishing, funding, and  
12 managing, and assisting individuals with the use of, the health insurance  
13 purchasing accounts established under ch. 260.

\*\*\*\*NOTE: It is not necessary to use the term "eligible resident" in the appropriation language because "eligible resident" is not a defined term in ch. 20.

14           **SECTION 6.** 25.17 (1) (gd) of the statutes is created to read:

15           25.17 (1) (gd) Health insurance purchasing trust fund (s. 25.775);

16           **SECTION 7.** 25.775 of the statutes is created to read:

17           **25.775 Health insurance purchasing trust fund.** There is established a  
18 separate, nonlapsible trust fund designated as the health insurance purchasing  
19 trust fund, consisting of 98.5 percent of all moneys collected under s. 260.50.

20           **SECTION 8.** 25.835 (1) (em) of the statutes is created to read:

21           25.835 (1) (em) *State aid; personal property.* Beginning in 2009, a sum  
22 sufficient to make the state aid payments under s. 79.096.

23           **SECTION 9.** 26.03 (1m) (b) (intro.) of the statutes is amended to read:

Insert 4-14, PAC

1           26.03 **(1m)** (b) (intro.) Paragraph (a) 1. does not apply to a person harvesting  
2 raw forest products on ~~public lands, as defined in s. 70.13 (7)~~ that are owned by the  
3 United States, this state, or any political subdivision of this state, to a person  
4 harvesting raw forest products for fuel wood for his or her home consumption, to a  
5 person harvesting for the purpose of clearing the land for agricultural use or to a  
6 person harvesting from the person's own land, any of the following:

7           **SECTION 10.** 33.01 (9) (a) of the statutes is amended to read:

8           33.01 **(9)** (a) For the purpose of receiving notice under this chapter, a person  
9 whose name appears as an owner of real property on the tax roll under s. 70.65 (2)  
10 (a) ~~1.~~ that was delivered under s. 74.03 on or before the 3rd Monday in December of  
11 the previous year.

12          **SECTION 11.** 33.01 (9) (am) 1. of the statutes is amended to read:

13          33.01 **(9)** (am) 1. A person whose name appears as an owner of real property  
14 on the tax roll under s. 70.65 (2) (a) ~~1.~~ that was delivered under s. 74.03 on or before  
15 the 3rd Monday in December of the previous year.

16          **SECTION 12.** 33.01 (9) (am) 2. of the statutes is amended to read:

17          33.01 **(9)** (am) 2. The spouse of a person whose name appears as an owner of  
18 real property on the tax roll under s. 70.65 (2) (a) ~~1.~~ that was delivered under s. 74.03  
19 on or before the 3rd Monday in December of the previous year if the spouse is referred  
20 to on that tax roll.

21          **SECTION 13.** 33.01 (9) (ar) 1. of the statutes is amended to read:

22          33.01 **(9)** (ar) 1. The person's name appears as an owner of real property on the  
23 tax roll under s. 70.65 (2) (a) ~~1.~~ that was delivered under s. 74.03 on or before the 3rd  
24 Monday in December of the previous year.

25          **SECTION 14.** 33.01 (9) (b) 1. of the statutes is amended to read:

**SECTION 14**

1           33.01 (9) (b) 1. Whose name appears as an owner of real property on the tax  
2 roll under s. 70.65 (2) (a) ~~1~~ that was delivered under s. 74.03 on or before the 3rd  
3 Monday in December of the previous year; or

4           **SECTION 15.** 38.28 (2) (b) 2. of the statutes is amended to read:

5           38.28 (2) (b) 2. The most current equalized values certified by the department  
6 of revenue shall be used in aid determinations. ~~Equalized values shall include the~~  
7 ~~full value of property that is exempt under s. 70.11 (39) and (39m) as determined~~  
8 ~~under s. 79.095 (3).~~

9           **SECTION 16.** 66.0235 (2) (b) of the statutes is amended to read:

10           66.0235 (2) (b) When the transfer of territory from one local governmental unit  
11 to another results from the incorporation of a new city or village, the proportion of  
12 the assets and liabilities assigned to the new city or village shall be based on the  
13 average assessed valuation for the preceding 5 years of the property transferred in  
14 proportion to the average assessed valuation for the preceding 5 years of all the  
15 taxable property of the entire local governmental unit from which the territory is  
16 taken, according to the assessment rolls of the local governmental unit for those  
17 years. The certification by the clerk of the local governmental unit from which  
18 territory was transferred because of the incorporation shall include the assessed  
19 value of the real ~~and personal~~ property within the territory transferred for each of  
20 the last 5 years. The preceding 5 years shall include the assessment rolls for the 5  
21 calendar years prior to the incorporation.

22           **SECTION 17.** 66.0235 (2c) (a) 2. of the statutes is amended to read:

23           66.0235 (2c) (a) 2. The clerk of any school district to which territory is  
24 transferred, within 30 days of the effective date of the transfer, shall certify to the  
25 clerk of the local governmental unit from which the territory was transferred a metes

Insert 6-8a  
Insert 6-8b

1 and bounds description of the land area involved. Upon receipt of the description the  
2 clerk of the local governmental unit from which the territory was transferred shall  
3 certify to the department of revenue the latest assessed value of the real and personal  
4 property located within the transferred territory, file one copy of the certification  
5 with the school district clerk and one copy with the department of public instruction  
6 and make any further reports as needed by the department of revenue in the  
7 performance of duties required by law.

8 **SECTION 18.** 66.0435 (1) (hm) of the statutes is created to read:

9 66.0435 (1) (hm) “Recreational mobile home” means a mobile home that is no  
10 larger than 400 square feet and that is used primarily as temporary living quarters  
11 for recreational, camping, travel, or seasonal purposes.

12 **SECTION 19.** 66.0435 (3) (c) 1. (intro.) of the statutes is amended to read:

13 66.0435 (3) (c) 1. (intro.) In addition to the license fee provided in pars. (a) and  
14 (b), each licensing authority shall collect from each mobile home occupying space or  
15 lots in a park in the licensing authority; ~~except from mobile homes that constitute~~  
16 ~~improvements to real property under s. 70.043 (1) and from recreational mobile~~  
17 ~~homes, recreational mobile homes,~~ and camping trailers as defined in s. ~~70.111 (19),~~  
18 s. 340.01 (6m); a monthly parking permit fee computed as follows:

19 **SECTION 20.** 66.0435 (3) (c) 1. b. of the statutes is amended to read:

20 66.0435 (3) (c) 1. b. The fair market value, determined under subd. 1. a., minus  
21 the tax-exempt household furnishings thus established, shall be equated to the  
22 general level of assessment for the prior year on other real and personal property in  
23 the district.

24 **SECTION 21.** 66.0435 (3) (g) of the statutes is amended to read:

1           66.0435 (3) (g) Failure to timely pay the tax prescribed in this subsection shall  
2 be treated as a default in payment of ~~personal~~ property tax and is subject to all  
3 procedures and penalties applicable under ~~under~~ chs. 70 and 74.

4           **SECTION 22.** 66.0435 (9) of the statutes is amended to read:

5           66.0435 (9) MUNICIPALITIES; PARKING FEES ON MOBILE HOMES. A licensing  
6 authority may assess parking fees at the rates under this section on recreational  
7 mobile homes, as defined in ~~s. 70.111 (19)~~ except mobile homes which are located in  
8 campgrounds licensed under s. 254.47 and mobile homes which are located on land  
9 where the principal residence of the owner of the mobile home is located, regardless  
10 of whether the mobile home is occupied during all or part of any calendar year.

11           **SECTION 23.** 66.0517 (3) (b) 1. of the statutes is amended to read:

12           66.0517 (3) (b) 1. Except as provided in sub. (2) (b), a weed commissioner shall  
13 receive compensation for the destruction of noxious weeds as determined by the town  
14 board, village board, or city council upon presenting to the proper treasurer the  
15 account for noxious weed destruction, verified by oath and approved by the  
16 appointing officer. The account shall specify by separate items the amount  
17 chargeable to each piece of land, describing the land, and shall, after being paid by  
18 the treasurer, be filed with the town, village, or city clerk. The clerk shall enter the  
19 amount chargeable to each tract of land in the next tax roll in a column headed “For  
20 the Destruction of Weeds”, as a tax on the lands upon which the weeds were  
21 destroyed. The tax shall be collected under ch. 74, except in case of lands which are  
22 exempt from taxation, railroad lands, or other lands for which taxes are not collected  
23 under ch. 74. A delinquent tax may be collected as is a delinquent real property tax  
24 under chs. 74 and 75 ~~or as is a delinquent personal property tax under ch. 74~~. In case  
25 of railroad lands or other lands for which taxes are not collected under ch. 74, the

1 amount chargeable against these lands shall be certified by the town, village, or city  
2 clerk to the secretary of administration who shall add the amount designated to the  
3 sum due from the company owning, occupying, or controlling the lands specified. The  
4 secretary of administration shall collect the amount chargeable as prescribed in  
5 subch. I of ch. 76 and return the amount collected to the town, city, or village from  
6 which the certification was received.

7 **SECTION 24.** 66.1105 (2) (j) of the statutes is amended to read:

8 66.1105 (2) (j) “Tax incremental base” means the aggregate value, as equalized  
9 by the department of revenue, of all taxable property located within a tax  
10 incremental district on the date as of which the district is created, determined as  
11 provided in sub. (5) (b). The base of districts created before October 1, 1980, does not  
12 include the value of ~~property exempted under s. 70.111 (17) merchants’~~  
13 ~~stock-in-trade, manufacturers’ materials and finished products, and livestock.~~

14 **SECTION 25.** 67.101 (1) (b) of the statutes is amended to read:

15 67.101 (1) (b) Beginning on January 1, 1973, except interest which is received  
16 by the city as a part of the aggregate amounts from the sale of capital assets,  
17 one-third of all interest money received by the city treasury on any invested city  
18 funds and one-third of all interest received by the city treasury on any other funds  
19 to the interest of which the city is entitled ~~including one-third of all interest received~~  
20 ~~on delinquent personal property taxes.~~

21 **SECTION 26.** 70.01 of the statutes is amended to read:

22 **70.01 General Real property taxes; upon whom levied.** Taxes shall be  
23 levied, under this chapter, upon all general real property in this state except property  
24 that is exempt from taxation. ~~Real estate taxes and personal~~ property taxes are  
25 deemed to be levied when the tax roll in which they are included has been delivered

**SECTION 26**

1 to the local treasurer under s. 74.03. When so levied such taxes are a lien upon the  
2 property against which they are charged. That lien is superior to all other liens,  
3 except a lien under s. 292.31 (8) (i) or 292.81, and is effective as of January 1 in the  
4 year when the taxes are levied. Liens of special assessments of benefits for local  
5 improvements shall be in force as provided by the charter or general laws applicable  
6 to the cities that make the special assessments. In this chapter, unless the context  
7 requires otherwise, references to “this chapter” do not include ss. 70.37 to 70.395.

8 **SECTION 27.** 70.05 (5) (a) 1. of the statutes is amended to read:

9 70.05 (5) (a) 1. “Assessed value” means with respect to each taxation district  
10 the total values established under ss. s. 70.32 and ~~70.34~~, but excluding  
11 manufacturing property subject to assessment under s. 70.995.

12 **SECTION 28.** 70.05 (5) (a) 1m. of the statutes is amended to read:

13 70.05 (5) (a) 1m. “Class of property” means residential under s. 70.32 (2) (a) 1.;  
14 commercial under s. 70.32 (2) (a) 2.; ~~personal property~~; or the sum of undeveloped  
15 under s. 70.32 (2) (a) 5., agricultural forest under s. 70.32 (2) (a) 5m., productive  
16 forest land under s. 70.32 (2) (a) 6., and other under s. 70.32 (2) (a) 7.

17 **SECTION 29.** 70.07 (6) of the statutes, as affected by 2005 Wisconsin Act 49, is  
18 amended to read:

19 70.07 (6) The board of assessors shall remain in session until all corrections  
20 and changes have been made, including all those resulting from investigations by  
21 committees of objections to valuations filed with the commissioner of assessments  
22 as provided in this subsection, after which the commissioner of assessments shall  
23 prepare the assessment rolls as corrected by the board of assessors and submit them  
24 to the board of review not later than the 2nd Monday in October. The person  
25 assessed, having been notified of the determination of the board of assessors as

1 required in sub. (4), shall be deemed to have accepted the determination unless the  
2 person notifies the commissioner of assessments in writing, within 15 days from the  
3 date that the notice of determination was issued under sub. (4), of the desire to  
4 present testimony before the board of review. After the board of review has met, the  
5 commissioner of assessments may appoint committees of the board of assessors to  
6 investigate any objections to the amount or valuation of any real ~~or personal~~ property  
7 which have been filed with the commissioner of assessments. The committees may  
8 at the direction of the commissioner of assessments report their investigation and  
9 recommendations to the board of review and any member of any such committee  
10 shall be a competent witness in any hearing before the board of review.

11 **SECTION 30.** 70.075 (6) of the statutes, as affected by 2005 Wisconsin Act 49, ✓  
12 is amended to read:

13 70.075 (6) The board of assessors shall remain in session until all corrections  
14 and changes have been made, including all those resulting from investigations by  
15 committees of objections to valuations filed with the city assessor as provided in this  
16 section, after which the city assessor shall prepare the assessment rolls as corrected  
17 by the board of assessors and submit them to the board of review not later than the  
18 last Monday in July. A person assessed who has been notified of the determination  
19 of the board of assessors as required in sub. (4) is deemed to have accepted such  
20 determination unless the person notifies the city assessor in writing, within 15 days  
21 from the date that the notice of determination was issued under sub. (4), of a desire  
22 to present testimony before the board of review. After the board of review meets, the  
23 city assessor may appoint committees of the board of assessors to investigate any  
24 objections to the amount or valuation of any real ~~or personal~~ property which are  
25 referred to the city assessor by the board of review. The committees so appointed may



1 at the city assessor's direction report their investigation and recommendations to the  
2 board of review and any member of any such committee shall be a competent witness  
3 in any hearing before the board of review.

4 **SECTION 31.** 70.10 of the statutes is amended to read:

5 **70.10 Assessment, when made, exemption.** The assessor shall assess all  
6 real ~~and personal~~ property as of the close of January 1 of each year. Except in cities  
7 of the 1st class and 2nd class cities that have a board of assessors under s. 70.075,  
8 the assessment shall be finally completed before the first Monday in April. All real  
9 property conveyed by condemnation or in any other manner to the state, any county,  
10 city, village or town by gift, purchase, tax deed or power of eminent domain before  
11 January 2 in such year shall not be included in the assessment. Assessment of  
12 manufacturing property subject to s. 70.995 shall be made according to that section.

13 **SECTION 32.** 70.11 (4m) (a) of the statutes is amended to read:

14 70.11 (4m) (a) Real property owned and used ~~and personal property used~~  
15 exclusively for the purposes of any hospital of 10 beds or more devoted primarily to  
16 the diagnosis, treatment or care of the sick, injured, or disabled, which hospital is  
17 owned and operated by a corporation, voluntary association, foundation or trust,  
18 except an organization that is organized under s. 185.981 or ch. 611, 613 or 614 and  
19 that offers a health maintenance organization as defined in s. 609.01 (2) or a limited  
20 service health organization as defined in s. 609.01 (3) or an organization that is  
21 issued a certificate of authority under ch. 618 and that offers a health maintenance  
22 organization or a limited service health organization, no part of the net earnings of  
23 which inures to the benefit of any shareholder, member, director or officer, and which  
24 hospital is not operated principally for the benefit of or principally as an adjunct of  
25 the private practice of a doctor or group of doctors. This exemption does not apply

1 to property used for commercial purposes, as a health and fitness center or as a  
2 doctor's office. The exemption for residential property shall be limited to dormitories  
3 of 12 or more units which house student nurses enrolled in a state accredited school  
4 of nursing affiliated with the hospital.

5 **SECTION 33.** 70.11 (9) of the statutes, as affected by 2005 Wisconsin Act 22, is  
6 amended to read:

7 **70.11 (9) MEMORIALS.** All memorial halls and the real estate upon which the  
8 same are located, owned and occupied by any organization of United States war  
9 veterans organized pursuant to act of congress and domesticated in this state  
10 pursuant to the laws of this state, containing permanent memorial tablets with the  
11 names of former residents of any given town, village, city or county who lost their  
12 lives in the military or naval service of the state or the United States in any war  
13 inscribed thereon, ~~and all personal property owned by such organizations,~~ and all  
14 buildings erected, purchased or maintained by any county, city, town or village as  
15 memorials under s. 45.72. The renting of such halls or buildings for public purposes  
16 shall not render them taxable, provided that all income derived therefrom be used  
17 for the upkeep and maintenance thereof. Where such hall or building is used in part  
18 for exempt purposes and in part for pecuniary profit, it shall be assessed for taxation  
19 to the extent of such use for pecuniary profit as provided in s. 70.1105 (1).

20 **SECTION 34.** 70.11 (11) of the statutes is amended to read:

21 **70.11 (11) BIBLE CAMPS.** All real property not exceeding 30 acres ~~and the~~  
22 ~~personal property situated therein,~~ of any Bible camp conducted by a religious  
23 nonprofit corporation organized under the laws of this state, so long as the property  
24 is used for religious purposes and not for pecuniary profit of any individual.

25 **SECTION 35.** 70.11 (12) (b) of the statutes is amended to read:

**SECTION 35**

1           70.11 (12) (b) Real property not exceeding 40 acres ~~and the personal property~~  
2 ~~located thereon~~ owned by units which are not organized in this state of the  
3 organizations listed in par. (a). No such unit which is not organized in this state may  
4 claim an exemption for more than a total of 80 rods of shoreline on lakes, rivers and  
5 streams.

6           **SECTION 36.** 70.11 (13) of the statutes is amended to read:

7           70.11 (13) CEMETERIES. Land owned by cemetery authorities, as defined in s.  
8 157.061 (2), and used exclusively as public burial grounds and tombs and  
9 monuments therein, and privately owned burial lots; land adjoining such burial  
10 grounds, owned and occupied exclusively by the cemetery authority for cemetery  
11 purposes; ~~personal property owned by any cemetery authority and necessary for the~~  
12 ~~care and management of burial grounds;~~ burial sites and contiguous lands which are  
13 cataloged under s. 157.70 (2) (a).

14           **SECTION 37.** 70.11 (15) of the statutes is amended to read:

15           70.11 (15) MANURE STORAGE FACILITIES. Any manure storage facility used by a  
16 farmer. ~~This exemption shall apply whether the facility is deemed personal property~~  
17 ~~or is so affixed to the realty as to be classified as real estate.~~

18           **SECTION 38.** 70.11 (26) of the statutes is amended to read:

19           70.11 (26) PROPERTY OF INDUSTRIAL DEVELOPMENT AGENCIES. All real ~~and~~  
20 ~~personal~~ property owned by an industrial development agency formed under s. 59.57  
21 (2). ~~Any such property subject to contract of sale or lease shall be taxed as personal~~  
22 ~~property to the vendee or lessee thereof.~~

23           **SECTION 39.** 70.11 (31) of the statutes is amended to read:

24           70.11 (31) SPORTS AND ENTERTAINMENT FACILITIES. Real ~~and personal~~ property  
25 consisting of or contained in a sports and entertainment facility, including related or

1 auxiliary structures, constructed by a nonprofit corporation for the purpose of  
2 donation to the state or to an instrumentality of the state, if the state indicates by  
3 legislative or executive action that it will accept the facility. This exemption shall  
4 apply during construction and operation if the facility is owned by a nonprofit  
5 corporation, the state or an instrumentality of the state.

6 **SECTION 40.** 70.11 (32) of the statutes is amended to read:

7 70.11 (32) NONPROFIT YOUTH HOCKEY ASSOCIATIONS. Land not exceeding 13 acres,  
8 and the buildings on that land ~~and personal property~~, if the land is owned or leased  
9 by and the buildings ~~and personal property~~ are owned by, and all the property is used  
10 exclusively for the purposes of, a nonprofit youth hockey association, except that the  
11 exemption under this subsection does not apply to the property of a nonprofit youth  
12 hockey association if any of its property was funded in whole or in part by industrial  
13 revenue bonds unless that association's facilities were placed in operation after  
14 January 1, 1988. Leasing all or a portion of the property does not render that  
15 property taxable if all of the leasehold income is used for maintenance of the leased  
16 property.

17 **SECTION 41.** 70.11 (39) and (39m) of the statutes are repealed.

18 **SECTION 42.** 70.111 of the statutes is repealed.

19 **SECTION 43.** 70.112 (1), (5) and (6) of the statutes are repealed.

20 **SECTION 44.** 70.112 (4) (b) of the statutes is amended to read:

21 70.112 (4) (b) If real ~~or tangible personal~~ property is used more than ~~50%~~ 50  
22 percent, as determined by the department of revenue, in the operation of a telephone  
23 company that is subject to the tax imposed under s. 76.81, the department of revenue  
24 shall assess the property and that property shall be exempt from the general  
25 property taxes imposed under this chapter. If real ~~or tangible personal~~ property is

1 used less than 50% 50 percent, as determined by the department of revenue, in the  
2 operation of a telephone company that is subject to the tax imposed under s. 76.81,  
3 the taxation district in which the property is located shall assess the property and  
4 that property shall be subject to the general property taxes imposed under this  
5 chapter.

6 **SECTION 45.** 70.13 of the statutes is repealed.

7 **SECTION 46.** 70.14 of the statutes is repealed.

8 **SECTION 47.** 70.15 of the statutes is repealed.

9 **SECTION 48.** 70.17 (1) of the statutes is amended to read:

10 70.17 (1) Real property shall be entered in the name of the owner, if known to  
11 the assessor, otherwise to the occupant thereof if ascertainable, and otherwise  
12 without any name. The person holding the contract or certificate of sale of any real  
13 property contracted to be sold by the state, but not conveyed, shall be deemed the  
14 owner for such purpose. The undivided real estate of any deceased person may be  
15 entered to the heirs of such person without designating them by name. The real  
16 estate of an incorporated company shall be entered in the same manner as that of an  
17 individual. Improvements on leased lands ~~may~~ shall be assessed ~~either~~ as real  
18 property ~~or personal property~~.

19 **SECTION 49.** 70.174 of the statutes is amended to read:

20 **70.174 Improvements on government-owned land.** Improvements made  
21 by any person on land within this state owned by the United States ~~may~~ shall be  
22 assessed ~~either~~ as real ~~or personal~~ property to the person making the same  
23 improvements, if ascertainable, and otherwise to the occupant ~~thereof~~ of the  
24 improvements or the person receiving benefits ~~therefrom~~ from the improvements.

25 **SECTION 50.** 70.18 of the statutes is repealed.

1           **SECTION 51.** 70.19 of the statutes is repealed.

2           **SECTION 52.** 70.20 of the statutes is repealed.

3           **SECTION 53.** 70.21 of the statutes is repealed.

4           **SECTION 54.** 70.22 of the statutes is repealed.

5           **SECTION 55.** 70.29 of the statutes is repealed.

6           **SECTION 56.** 70.30 of the statutes is repealed.

7           **SECTION 57.** 70.34 of the statutes is repealed.

8           **SECTION 58.** 70.345 of the statutes is repealed.

9           **SECTION 59.** 70.35 of the statutes is repealed.

10          **SECTION 60.** 70.36 of the statutes is repealed.

11          **SECTION 61.** 70.365 of the statutes is amended to read:

12           **70.365 Notice of changed assessment.** When the assessor assesses any  
13 taxable real property, ~~or any improvements taxed as personal property under s. 77.84~~  
14 ~~(1)~~, and arrives at a different total than the assessment of it for the previous year,  
15 the assessor shall notify the person assessed if the address of the person is known  
16 to the assessor, otherwise the occupant of the property. The notice shall be in writing  
17 and shall be sent by ordinary mail at least 15 days before the meeting of the board  
18 of review or before the meeting of the board of assessors in 1st class cities and in 2nd  
19 class cities that have a board of assessors under s. 70.075 and shall contain the  
20 amount of the changed assessment and the time, date and place of the meeting of the  
21 local board of review or of the board of assessors. However, if the assessment roll is  
22 not complete, the notice shall be sent by ordinary mail at least 15 days prior to the  
23 date to which the board of review has adjourned. The assessor shall attach to the  
24 assessment roll a statement that the notices required by this section have been  
25 mailed and failure to receive the notice shall not affect the validity of the changed

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1 assessment, the resulting changed tax, the procedures of the board of review or of the  
2 board of assessors or the enforcement of delinquent taxes by statutory means. The  
3 secretary of revenue shall by rule prescribe the form of the notice required under this  
4 section. The form shall include information notifying the taxpayer of the procedures  
5 to be used to object to the assessment.

6 **SECTION 62.** 70.40 (5) of the statutes is amended to read:

7 70.40 (5) All laws not in conflict with this section relating to the assessment,  
8 collection and payment of ~~personal~~ property taxes and the correction of errors in  
9 assessment and tax rolls, shall apply to the tax imposed in this section.

10 **SECTION 63.** 70.41 (5) of the statutes is amended to read:

11 70.41 (5) TAXATION STATUTES APPLICABLE TO GRAIN STORAGE TAXATION. All laws not  
12 in conflict with this section relating to the assessment, collection and payment of  
13 ~~personal~~ property taxes, the correction of errors in assessment and tax rolls, shall  
14 apply to the tax imposed under this section.

15 **SECTION 64.** 70.42 (5) of the statutes is amended to read:

16 70.42 (5) All laws not in conflict with this section relating to the assessment,  
17 collection and payment of ~~personal~~ property taxes, the correction of errors in  
18 assessment and tax rolls, shall apply to the tax imposed under this section.

19 **SECTION 65.** 70.421 (1) of the statutes is amended to read:

20 70.421 (1) Every person operating a crude oil refinery in this state, shall on or  
21 before January 31 of each year pay an annual occupation tax of a sum equal to 5 cents  
22 per ton upon all crude oil handled during the preceding year ending April 30 except  
23 that as of December 15, 1979, such tax shall apply to the year ending the December  
24 31 which is 2 years prior to the payment due date. ~~All such crude oil so handled and~~

1 all petroleum products refined therefrom, in the possession of the refinery, shall be  
2 exempt from all personal property taxation, either state or municipal.

3 **SECTION 66.** 70.421 (5) of the statutes is amended to read:

4 70.421 (5) All laws not in conflict with this section relating to the assessment,  
5 collection and payment of personal property taxes and the correction of errors in  
6 assessment and tax rolls, shall apply to the tax herein imposed.

7 **SECTION 67.** 70.43 (2) of the statutes is amended to read:

8 70.43 (2) If the assessor discovers a palpable error in the assessment of a tract  
9 of real estate or an item of personal property that results in the tract or property  
10 having an inaccurate assessment for the preceding year, the assessor shall correct  
11 that error by adding to or subtracting from the assessment for the preceding year.  
12 The result shall be the true assessed value of the property for the preceding year.  
13 The assessor shall make a marginal note of the correction on that year's assessment  
14 roll.

15 **SECTION 68.** 70.44 (1) of the statutes is amended to read:

16 70.44 (1) Real or personal property omitted from assessment in any of the 2  
17 next previous years, unless previously reassessed for the same year or years, shall  
18 be entered once additionally for each previous year of such omission, designating  
19 each such additional entry as omitted for the year of omission and affixing a just  
20 valuation to each entry for a former year as the same should then have been assessed  
21 according to the assessor's best judgment, and taxes shall be apportioned, using the  
22 net tax rate as provided in s. 70.43, and collected on the tax roll for such entry. This  
23 section shall not apply to manufacturing property assessed by the department of  
24 revenue under s. 70.995.

25 **SECTION 69.** 70.47 (7) (aa) of the statutes is amended to read:



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1           70.47 (7) (aa) No person shall be allowed to appear before the board of review,  
2 to testify to the board by telephone or to contest the amount of any assessment of real  
3 ~~or personal~~ property if the person has refused a reasonable written request by  
4 certified mail of the assessor to view such property.

5           **SECTION 70.** 70.47 (14) of the statutes is amended to read:

6           70.47 (14) TAX PAYMENTS. In the event the board of review has not completed  
7 its review or heard an objection to an assessment on real ~~or personal~~ property prior  
8 to the date the taxes predicated upon such assessment are due, or in the event there  
9 is an appeal as provided in sub. (13) and s. 74.37 from the correction of the board of  
10 review to the court, the time for payment of such taxes as levied is the same as  
11 provided in ch. 74 and if not paid in the time prescribed, such taxes are delinquent  
12 and subject to the same provisions as other delinquent taxes.

13           **SECTION 71.** 70.47 (15) of the statutes is repealed.

14           **SECTION 72.** 70.47 (16) (a) of the statutes is amended to read:

15           70.47 (16) (a) In 1st class cities all objections to the amount or valuation of real  
16 ~~or personal~~ property shall be first made in writing and filed with the commissioner  
17 of assessments on or before the 3rd Monday in May. No person may, in any action  
18 or proceeding, question the amount or valuation of real ~~or personal~~ property in the  
19 assessment rolls of the city unless objections have been so filed. The board may not  
20 waive the requirement that objections be in writing. Persons who own land and  
21 improvements to that land may object to the aggregate valuation of that land and  
22 improvements to that land, but no person who owns land and improvements to that  
23 land may object only to the valuation of that land or only to the valuation of  
24 improvements to that land. If the objections have been investigated by a committee  
25 of the board of assessors under s. 70.07 (6), the board of review may adopt the

1 recommendation of the committee unless the objector requests or the board orders  
2 a hearing. At least 2 days' notice of the time fixed for the hearing shall be given to  
3 the objector or attorney and to the city attorney of the city. The provisions of the  
4 statutes relating to boards of review not inconsistent with this subsection apply to  
5 proceedings before the boards of review of 1st class cities, except that the board need  
6 not adjourn until the assessment roll is completed by the commissioner of  
7 assessments, as required in s. 70.07 (6), but may immediately hold hearings on  
8 objections filed with the commissioner of assessments, and the changes, corrections  
9 and determinations made by the board acting within its powers shall be prima facie  
10 correct. Appeal from the determination shall be by an action for certiorari  
11 commenced within 90 days after the taxpayer receives the notice under sub. (12).  
12 The action shall be given preference.

13 **SECTION 73.** 70.48 of the statutes is amended to read:

14 **70.48 Assessor to attend board of review.** The assessor or the assessor's  
15 authorized representative shall attend without order or subpoena all hearings before  
16 the board of review and under oath submit to examination and fully disclose to the  
17 board such information as the assessor may have touching the assessment and any  
18 other matters pertinent to the inquiry being made. All part-time assessors shall  
19 receive the same compensation for such attendance as is allowed to the members of  
20 the board but no county assessor or member of a county assessor's staff shall receive  
21 any compensation other than that person's regular salary for attendance at a board  
22 of review. The clerk shall make all corrections to the assessment roll ordered by the  
23 board of review, including all changes in the valuation of real property. When any  
24 valuation of real property is changed the clerk shall enter the valuation fixed by the  
25 board in red ink in the proper class above the figures of the assessor, and the figures

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1 of the assessor shall be crossed out with red ink. The clerk shall also enter upon the  
2 assessment roll, in the proper place, the names of all persons found liable to taxation  
3 on personal property by the board of review, setting opposite such names respectively  
4 the aggregate valuation of such property as determined by the assessor, after  
5 deducting exemptions and making such corrections as the board has ordered. All  
6 changes in valuation of personal property made by the board of review shall be made  
7 in the same manner as changes in real estate.

8 **SECTION 74.** 70.49 (2) of the statutes is amended to read:

9 70.49 (2) The value of all real and personal property entered into the  
10 assessment roll to which such affidavit is attached by the assessor shall, in all actions  
11 and proceedings involving such values, be presumptive evidence that all such  
12 properties have been justly and equitably assessed in proper relationship to each  
13 other.

14 **SECTION 75.** 70.50 of the statutes is amended to read:

15 **70.50 Delivery of roll.** Except in counties that have a county assessment  
16 system under s. 70.99 and in cities of the 1st class and in 2nd class cities that have  
17 a board of assessors under s. 70.075 the assessor shall, on or before the first Monday  
18 in May, deliver the completed assessment roll and all the sworn statements and  
19 valuations of personal property to the clerk of the town, city or village, who shall file  
20 and preserve them in the clerk's office. On or before the first Monday in April, a  
21 county assessor under s. 70.99 shall deliver the completed assessment roll and all  
22 sworn statements and valuations of personal property to the clerks of the towns,  
23 cities and villages in the county, who shall file and preserve them in the clerk's office.

24 **SECTION 76.** 70.52 of the statutes is amended to read:

1           **70.52 Clerks to examine and correct rolls.** Each city, village, and town  
2 clerk upon receipt of the assessment roll shall carefully examine the roll. The clerk  
3 shall correct all double assessments, imperfect descriptions and other errors  
4 apparent upon the face of the roll, and strike off all parcels of real property not liable  
5 to taxation. The clerk shall add to the roll any parcel of real property ~~or item of~~  
6 ~~personal property~~ omitted by the assessors and immediately notify the assessors of  
7 the omissions. The assessors shall immediately view and value the omitted property  
8 and certify the valuation to the clerk. The clerk shall enter the valuation upon the  
9 roll, and the valuation shall be final. To enable the clerk to properly correct defective  
10 descriptions, the clerk may request aid, when necessary, from the county surveyor,  
11 whose fees for the services rendered shall be paid by the city, village, or town.

12           **SECTION 77.** 70.53 (1) (a) of the statutes is repealed.

13           **SECTION 78.** 70.555 of the statutes is amended to read:

14           **70.555 Provisions directory.** The directions herein given for the assessing  
15 of lands ~~and personal property~~ and levying and collecting taxes shall be deemed  
16 directory only, and no error or informality in the proceedings of any of the officers  
17 entrusted with the same, not affecting the substantial justice of the tax, shall vitiate  
18 or in anywise affect the validity of such tax or assessment.

19           **SECTION 79.** 70.64 (3) (c) of the statutes is repealed.

20           **SECTION 80.** 70.65 (2) (a) (intro.) and 1. of the statutes are consolidated,  
21 renumbered 70.65 (2) (a) and amended to read:

22           70.65 (2) (a) As shown on the assessment roll: ~~1. Identify, identify~~ all the real  
23 property within the taxation district and, with respect to each description of real  
24 property, the name and address of the owner and the assessed value.

25           **SECTION 81.** 70.65 (2) (a) 2. of the statutes is repealed.

**SECTION 82**

1           **SECTION 82.** 70.65 (2) (b) (intro.) of the statutes is amended to read:

2           70.65 (2) (b) (intro.) With respect to each description of real property and each  
3 owner of taxable personal property:

4           **SECTION 83.** 70.68 of the statutes is repealed.

5           **SECTION 84.** 70.73 (1) (b) of the statutes is amended to read:

6           70.73 (1) (b) If a town, village or city clerk or treasurer discovers that personal  
7 property has been assessed to the wrong person, or 2 or more parcels of land  
8 belonging to different persons have been erroneously assessed together on the tax  
9 roll, the clerk or treasurer shall notify the assessor and all parties interested, if the  
10 parties are residents of the county, by notice in writing to appear at the clerk's office  
11 at some time, not less than 5 days thereafter, to correct the assessment roll.

12           **SECTION 85.** 70.73 (1) (c) of the statutes is amended to read:

13           70.73 (1) (c) At the time and place designated in the notice given under par. (b),  
14 the assessment roll shall be corrected by entering the correct names of the persons  
15 liable to assessment, ~~both as to real and personal property,~~ describing each parcel of  
16 land and giving the proper valuation to each parcel separately owned. The total  
17 valuation given to the separate tracts of real estate shall be equal to the valuation  
18 given to the same property when the several parcels were assessed together.

19           **SECTION 86.** 70.73 (1) (d) of the statutes is amended to read:

20           70.73 (1) (d) The valuation of parcels of land ~~or correction of names of persons~~  
21 ~~whose personal property is assessed~~ under this subsection may be made at any time  
22 before the tax roll is returned to the county treasurer for the year in which the tax  
23 is levied. The valuation ~~or correction of names,~~ when made under this subsection,  
24 shall be held just and correct and be final and conclusive.

25           **SECTION 87.** 70.84 of the statutes is amended to read:

1           **70.84 Inequalities may be corrected in subsequent year.** If any such  
2 reassessment cannot be completed in time to take the place of the original  
3 assessment made in such district for said year, the clerk of the district shall levy and  
4 apportion the taxes for that year upon the basis of the original assessment roll, and  
5 when the reassessment is completed the inequalities in the taxes levied under the  
6 original assessment shall be remedied and compensated in the levy and  
7 apportionment of taxes in such district next following the completion of said  
8 reassessment in the following manner: Each tract of real estate, ~~and, as to personal~~  
9 ~~property, each taxpayer, whose tax shall be~~ the tax on which is determined by such  
10 reassessment to have been relatively too high, shall be credited a sum equal to the  
11 amount of taxes charged on the original assessment in excess of the amount which  
12 would have been charged had such reassessment been made in time; and each tract  
13 of real estate, ~~and, as to personal property, each taxpayer, whose tax shall be~~ the tax  
14 on which is determined by such reassessment to have been relatively too low, shall  
15 be charged, in addition to all other taxes, a sum equal to the difference between the  
16 amount of taxes charged upon such unequal original assessment and the amount  
17 which would have been charged had such reassessment been made in time. The  
18 department of revenue, or its authorized agent, shall at any time have access to all  
19 assessment and tax rolls herein referred to for the purpose of assisting the local clerk  
20 and in order that the results of the reassessment may be carried into effect.

21           **SECTION 88.** 70.995 (1) (a) of the statutes is amended to read:

22           70.995 (1) (a) In this section “manufacturing property” includes all lands,  
23 buildings, structures and other real property used in manufacturing, assembling,  
24 processing, fabricating, making or milling tangible personal property for profit.  
25 Manufacturing property also includes warehouses, storage facilities and office

1 structures when the predominant use of the warehouses, storage facilities or offices  
2 is in support of the manufacturing property, ~~and all personal property owned or used~~  
3 ~~by any person engaged in this state in any of the activities mentioned, and used in~~  
4 ~~the activity, including raw materials, supplies, machinery, equipment, work in~~  
5 ~~process and finished inventory when located at the site of the activity.~~  
6 Establishments engaged in assembling component parts of manufactured products  
7 are considered manufacturing establishments if the new product is neither a  
8 structure nor other fixed improvement. Materials processed by a manufacturing  
9 establishment include products of agriculture, forestry, fishing, mining and  
10 quarrying. For the purposes of this section, establishments which engage in mining  
11 metalliferous minerals are ~~considered~~ manufacturing establishments.

12 **SECTION 89.** 70.995 (4) of the statutes is amended to read:

13 70.995 (4) Whenever real property ~~or tangible personal property~~ is used for  
14 one, or some combination, of the processes mentioned in sub. (3) and also for other  
15 purposes, the department of revenue, if satisfied that there is substantial use in one  
16 or some combination of such processes, may assess the property under this section.  
17 For all purposes of this section the department of revenue shall have sole discretion  
18 for the determination of what is substantial use and what description of real property  
19 ~~or what unit of tangible personal property~~ shall constitute “the property” to be  
20 included for assessment purposes, and, in connection herewith, the department may  
21 include in a real property unit, real property owned by different persons. Vacant  
22 property designed for use in manufacturing, assembling, processing, fabricating,  
23 making or milling tangible property for profit may be assessed under this section or  
24 under s. 70.32 (1), and the period of vacancy may not be the sole ground for making  
25 that determination. In those specific instances where a portion of a description of

1 real property includes manufacturing property rented or leased and operated by a  
2 separate person which does not satisfy the substantial use qualification for the entire  
3 property, the local assessor shall assess the entire real property description and all  
4 personal property not exempt under s. 70.11 (27). The applicable portions of the  
5 standard manufacturing property report form under sub. (12) as they relate to  
6 manufacturing machinery and equipment shall be submitted by such person.

7 **SECTION 90.** 70.995 (7) (b) of the statutes is amended to read:

8 70.995 (7) (b) Each 5 years, or more frequently if the department of revenue's  
9 workload permits and if in the department's judgment it is desirable, the department  
10 of revenue shall complete a field investigation or on-site appraisal at full value under  
11 ss. s. 70.32 (1) and ~~70.34~~ of all manufacturing property in this state.

12 **SECTION 91.** 70.995 (8) (b) 1. of the statutes is amended to read:

13 70.995 (8) (b) 1. The department of revenue shall annually notify each  
14 manufacturer assessed under this section and the municipality in which the  
15 manufacturing property is located of the full value of all real and personal property  
16 owned by the manufacturer. The notice shall be in writing and shall be sent by 1st  
17 class mail or electronic mail. In addition, the notice shall specify that objections to  
18 valuation, amount, or taxability must be filed with the state board of assessors  
19 within 60 days of issuance of the notice of assessment, that objections to a change  
20 from assessment under this section to assessment under s. 70.32 (1) must be filed  
21 within 60 days after receipt of the notice, that the fee under par. (c) 1. or (d) must be  
22 paid and that the objection is not filed until the fee is paid. A statement shall be  
23 attached to the assessment roll indicating that the notices required by this section  
24 have been mailed and failure to receive the notice does not affect the validity of the  
25 assessments, the resulting tax on real or personal property, the procedures of the tax



**SECTION 91**

1 appeals commission or of the state board of assessors, or the enforcement of  
2 delinquent taxes by statutory means.

3 **SECTION 92.** 70.995 (12) (a) of the statutes is amended to read:

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

1           **SECTION 93.** 70.995 (12r) of the statutes is repealed.

2           **SECTION 94.** 71.07 (9e) (af) (intro.) of the statutes is amended to read:

3           71.07 **(9e)** (af) (intro.) For taxable years beginning after December 31, 1995,  
4           and before January 1, 2008, any natural person may credit against the tax imposed  
5           under s. 71.02 an amount equal to one of the following percentages of the federal  
6           basic earned income credit for which the person is eligible for the taxable year under  
7           section 32 (b) (1) (A) to (C) of the ~~internal revenue code~~ Internal Revenue Code:

8           **SECTION 95.** 71.07 (9e) (aj) of the statutes is created to read:

9           71.07 **(9e)** (aj) For taxable years beginning after December 31, 2007, any  
10          natural person may credit against the tax imposed under s. 71.02 an amount equal  
11          to one of the following percentages of the federal basic earned income credit for which  
12          the person is eligible for the taxable year under section 32 (b) (1) (A) to (C) of the  
13          Internal Revenue Code:

14               1. If the person has no qualifying children who have the same principal place  
15               of abode as the person, 100 percent.

16               2. If the person has one qualifying child who has the same principal place of  
17               abode as the person, 25 percent.

18               3. If the person has 2 qualifying children who have the same principal place of  
19               abode as the person, 40 percent.

20               4. If the person has 3 or more qualifying children who have the same principal  
21               place of abode as the person, 65 percent.

22          **SECTION 96.** 71.17 (2) of the statutes is amended to read:

23          71.17 **(2)** LIEN ON TRUST ESTATE; INCOME TAXES LEVIED AGAINST BENEFICIARY. All  
24          income taxes levied against the income of beneficiaries shall be a lien on that portion  
25          of the trust estate or interest therein from which the income taxed is derived, and

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1 such taxes shall be paid by the fiduciary, if not paid by the distributee, before the  
2 same become delinquent. Every person who, as a fiduciary under the provisions of  
3 this subchapter, pays an income tax ~~shall have all the rights and remedies of~~  
4 ~~reimbursement for any taxes assessed against him or her or paid by him or her in~~  
5 ~~such capacity, as provided in s. 70.19 (1) and (2)~~ has a right of action against the  
6 beneficiary for whom the tax is paid and has a lien on the beneficiary's property for  
7 the amount of the taxes paid.

8 **SECTION 97.** 71.23 (2) of the statutes is amended to read:

9 71.23 (2) FRANCHISE TAX. For the privilege of exercising its franchise, buying  
10 or selling lottery prizes if the winning tickets were originally bought in this state or  
11 doing business in this state in a corporate capacity, except as provided under sub. (3),  
12 every domestic or foreign corporation, except corporations specified in s. 71.26 (1),  
13 and every nuclear decommissioning trust or reserve fund shall annually pay a  
14 franchise tax according to or measured by its entire Wisconsin net income of the  
15 preceding taxable year at the applicable rate set forth in s. 71.27 (2). In addition,  
16 except as provided in sub. (3) and s. 71.26 (1), a corporation that ceases doing  
17 business in this state and a nuclear decommissioning trust or reserve fund that is  
18 terminated shall pay a special franchise tax according to or measured by its entire  
19 Wisconsin net income for the taxable year during which the corporation ceases doing  
20 business in this state or the nuclear decommissioning trust or reserve fund is  
21 terminated at the rates applicable rate under s. 71.27 (2). Every corporation  
22 organized under the laws of this state shall be deemed to be residing within this state  
23 for the purposes of this franchise tax. All provisions of this chapter and ch. 73  
24 relating to income taxation of corporations shall apply to franchise taxes imposed  
25 under this subsection, unless the context requires otherwise. The tax imposed by

1 this subsection on national banking associations shall be in lieu of all taxes imposed  
2 by this state on national banking associations to the extent it is not permissible to  
3 tax such associations under federal law.

4 **SECTION 98.** 71.23 (4) of the statutes is created to read:

5 71.23 (4) SUNSET. The taxes imposed under this subchapter do not apply for  
6 taxable years beginning after December 31, 2015.

7 **SECTION 99.** 71.27 (1) of the statutes is renumbered 71.27 (1) (intro.) and  
8 amended to read:

9 71.27 (1) (intro.) The taxes to be assessed, levied and collected upon Wisconsin  
10 net incomes of corporations shall be computed at the rate of 7.9%. following rates:

11 **SECTION 100.** 71.27 (1) (a) to (h) of the statutes are created to read:

12 71.27 (1) (a) For taxable years beginning before January 1, 2009, 7.9 percent.

13 (b) For taxable years beginning after December 31, 2008, and before January  
14 1, 2010, 5.53 percent.

15 (c) For taxable years beginning after December 31, 2009, and before January  
16 1, 2011, 4.74 percent.

17 (d) For taxable years beginning after December 31, 2010, and before January  
18 1, 2012, 3.95 percent.

19 (e) For taxable years beginning after December 31, 2011, and before January  
20 1, 2013, 3.16 percent.

21 (f) For taxable years beginning after December 31, 2012, and before January  
22 1, 2014, 2.37 percent.

23 (g) For taxable years beginning after December 31, 2013, and before January  
24 1, 2015, 1.58 percent.

**SECTION 100**

1 (h) For taxable years beginning after December 31, 2014, and before January  
2 1, 2016, 0.79 percent.

3 **SECTION 101.** 71.27 (2) of the statutes is renumbered 71.27 (2) (intro.) and  
4 amended to read:

5 71.27 (2) (intro.) The corporation franchise tax imposed under s. 71.23 (2) and  
6 measured by Wisconsin net income shall be computed at the ~~rate of 7.9%.~~ following  
7 rates:

8 **SECTION 102.** 71.27 (2) (a) to (h) of the statutes are created to read:

9 71.27 (2) (a) For taxable years beginning before January 1, 2009, 7.9 percent.

10 (b) For taxable years beginning after December 31, 2008, and before January  
11 1, 2010, 5.53 percent.

12 (c) For taxable years beginning after December 31, 2009, and before January  
13 1, 2011, 4.74 percent.

14 (d) For taxable years beginning after December 31, 2010, and before January  
15 1, 2012, 3.95 percent.

16 (e) For taxable years beginning after December 31, 2011, and before January  
17 1, 2013, 3.16 percent.

18 (f) For taxable years beginning after December 31, 2012, and before January  
19 1, 2014, 2.37 percent.

20 (g) For taxable years beginning after December 31, 2013, and before January  
21 1, 2015, 1.58 percent.

22 (h) For taxable years beginning after December 31, 2014, and before January  
23 1, 2016, 0.79 percent.

24 **SECTION 103.** 71.35 of the statutes is amended to read:

1           **71.35 Imposition of additional tax on tax-option corporations.** In  
2 addition to the other taxes imposed under this chapter, there is imposed on every  
3 tax-option corporation, except a corporation that qualifies for the exception under  
4 section 1374 (c) (1) of the internal revenue code and that has not elected to change  
5 from tax-option status under s. 71.365 (4) (a) for that taxable year, that has a net  
6 recognized built-in gain, as defined in section 1374 (d) (2) of the internal revenue  
7 code, during a recognition period, as defined in section 1374 (d) (7) of the internal  
8 revenue code as modified by this section, a tax computed under section 1374 of the  
9 internal revenue code except that the rate is ~~that~~ the applicable rate under s. 71.27  
10 (2), the net recognized built-in gain is computed using the Wisconsin basis of the  
11 assets and the Wisconsin apportionment percentage for the current taxable year, the  
12 taxable income is the Wisconsin taxable income and the credit and net operating  
13 losses are those under this chapter rather than the federal credits and net operating  
14 losses. The tax under this section does not apply if the return is filed pursuant to a  
15 federal S corporation election made before January 1, 1987, and the corporation has  
16 not elected to change its status under s. 71.365 (4) (a) for any intervening year. If a  
17 corporation that elected to change from tax-option status under s. 71.365 (4) (a)  
18 subsequently elects to become a tax-option corporation, its recognition period begins  
19 with the first day of the first taxable year affected by the subsequent election.

20           **SECTION 104.** 71.405 of the statutes is created to read:

21           **71.405 Sunset.** The taxes imposed under this subchapter do not apply for  
22 taxable years beginning after December 31, 2015.

23           **SECTION 105.** 71.43 (3) of the statutes is created to read:

24           **71.43 (3) SUNSET.** The taxes imposed under this subchapter do not apply for  
25 taxable years beginning after December 31, 2015.

**SECTION 106**

1           **SECTION 106.** 71.46 (1) of the statutes is renumbered 71.46 (1) (intro.) and  
2 amended to read:

3           71.46 (1) The taxes to be assessed, levied and collected upon Wisconsin net  
4 incomes of corporations shall be computed at the rate of ~~7.9%~~. following rates:

5           **SECTION 107.** 71.46 (1) (a) to (h) of the statutes are created to read:

6           71.46 (1) (a) For taxable years beginning before January 1, 2009, 7.9 percent.

7           (b) For taxable years beginning after December 31, 2008, and before January  
8 1, 2010, 5.53 percent.

9           (c) For taxable years beginning after December 31, 2009, and before January  
10 1, 2011, 4.74 percent.

11           (d) For taxable years beginning after December 31, 2010, and before January  
12 1, 2012, 3.95 percent.

13           (e) For taxable years beginning after December 31, 2011, and before January  
14 1, 2013, 3.16 percent.

15           (f) For taxable years beginning after December 31, 2012, and before January  
16 1, 2014, 2.37 percent.

17           (g) For taxable years beginning after December 31, 2013, and before January  
18 1, 2015, 1.58 percent.

19           (h) For taxable years beginning after December 31, 2014, and before January  
20 1, 2016, 0.79 percent.

21           **SECTION 108.** 71.46 (2) of the statutes is renumbered 71.46 (2) (intro.) and  
22 amended to read:

23           71.46 (2) The corporation franchise tax imposed under s. 71.43 (2) and  
24 measured by Wisconsin net income shall be computed at the ~~rate of 7.9%~~. following  
25 rates:

1           **SECTION 109.** 71.46 (2) (a) to (h) of the statutes are created to read:

2           71.46 (2) (a) For taxable years beginning before January 1, 2009, 7.9 percent.

3           (b) For taxable years beginning after December 31, 2008, and before January  
4           1, 2010, 5.53 percent.

5           (c) For taxable years beginning after December 31, 2009, and before January  
6           1, 2011, 4.74 percent.

7           (d) For taxable years beginning after December 31, 2010, and before January  
8           1, 2012, 3.95 percent.

9           (e) For taxable years beginning after December 31, 2011, and before January  
10          1, 2013, 3.16 percent.

11          (f) For taxable years beginning after December 31, 2012, and before January  
12          1, 2014, 2.37 percent.

13          (g) For taxable years beginning after December 31, 2013, and before January  
14          1, 2015, 1.58 percent.

15          (h) For taxable years beginning after December 31, 2014, and before January  
16          1, 2016, 0.79 percent.

17          **SECTION 110.** 71.46 (3) of the statutes is amended to read:

18          71.46 (3) The tax imposed under this subchapter on each domestic insurer on  
19          or measured by its entire net income attributable to lines of insurance in this state  
20          may not exceed ~~2%~~ 2 percent of the gross premiums, as defined in s. 76.62, received  
21          during the taxable year by the insurer on all policies on those lines of insurance if  
22          the subject of that insurance was resident, located or to be performed in this state  
23          plus ~~7.9%~~ of the income that is realized from the sale of or purchase and subsequent  
24          sale or redemption of lottery prizes, if the winning tickets were originally bought in  
25          this state, multiplied by the applicable rate under sub. 71.27 (1).