



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 11, 2006

MEMORANDUM

To: Representative Jeskewitz

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

Subject: Technical Memorandum to **2005 AB-1161 by DOR** (LRB 05-4792/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

April 10, 2006

TO: Joe Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 1161 Interest on Refunds of Taxes on
Manufacturing Property

Beginning with refunds paid July 1, 2005, the bill requires municipalities to charge interest on refunds of manufacturing property taxes back to the overlying jurisdictions. Local governments' and the Department's financial systems do not have the tracking mechanisms to account for these interest charges. Since some refunds have already been paid (at the current law rate of 0.8% per month), errors and confusion appear likely to result. The author may wish to amend the bill to first apply to refunds paid on or after July 1, 2006 or, preferably, January 1, 2007.

If you have any questions regarding this technical memorandum, please contact Blair Kruger at (608) 266-1310.

cc: Rep. Jeskewitz