

**ASSEMBLY AMENDMENT 2,  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2005 ASSEMBLY BILL 100**

June 21, 2005 – Offered by Representatives BLACK, SHILLING, BENEDICT, BERCEAU, BOYLE, FIELDS, GRIGSBY, HEBL, KESSLER, KREUSER, LEHMAN, MOLEPSKE, NELSON, PARISI, POCAN, POPE-ROBERTS, RICHARDS, SEIDEL, SHERIDAN, SHERMAN, SINICKI, STASKUNAS, TOLES, TURNER, VRUWINK, YOUNG and ZEPNICK.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 233, line 2: after that line insert:

3 “(bm) Homeowner’s tax credit GPR S –0– –0–”.

4 **2.** Page 321, line 17: after that line insert:

5 “**SECTION 452hm.** 20.835 (3) (bm) of the statutes is created to read:

6 20.835 (3) (bm) *Homeowner’s tax credit.* A sum sufficient to make the payments  
7 under s. 79.10 (5m) and (6m) (c).”.

8 **3.** Page 582, line 4: after that line insert:

9 “**SECTION 1311nb.** 71.07 (9) (b) 5. of the statutes is amended to read:

10 71.07 (9) (b) 5. For taxable years beginning after December 31, 1999, subject  
11 to the limitations under this subsection a claimant may claim as a credit against, but  
12 not to exceed the amount of, taxes under s. 71.02, ~~12%~~ 12 percent of the first \$2,500

1 of property taxes or 16 percent of the first \$2,500 of rent constituting property taxes,  
2 ~~or 12%~~ except that a married person filing separately may claim 12 percent of the  
3 first \$1,250 of property taxes or 16 percent of the first \$1,250 of rent constituting  
4 ~~property taxes of a married person filing separately.~~

5 **4.** Page 705, line 16: after that line insert:

6 “**SECTION 1468m.** 74.09 (3) (b) 6. of the statutes is amended to read:

7 74.09 **(3)** (b) 6. The amount of the ~~credit~~ credits under s. 79.10 (5) and (5m)  
8 allocable to the property for the previous year and the current year, and the  
9 percentage change between those years.”.

10 **5.** Page 730, line 15: after that line insert:

11 “**SECTION 1710b.** 79.10 (1) (dm) of the statutes is amended to read:

12 79.10 **(1)** (dm) “Principal dwelling” means any dwelling that is used by the  
13 owner of the dwelling as a primary residence on January 1 of the year preceding the  
14 allocation of ~~a credit~~ credits under sub. (9) (bm) and (bn) and includes improvements  
15 that are classified, under ch. 70, as taxable real property or personal property.

16 **SECTION 1710c.** 79.10 (1m) of the statutes is amended to read:

17 79.10 **(1m)** (a) Each municipality shall notify the department of revenue of the  
18 total amount of credits allocated under sub. (9) (bm) and (bn).

19 (b) Counties and municipalities shall submit to the department of revenue all  
20 data related to the lottery and gaming credit and homeowner’s tax credit that is  
21 requested by the department of revenue.

22 **SECTION 1710d.** 79.10 (2) of the statutes is amended to read:

23 79.10 **(2)** NOTICE TO MUNICIPALITIES. On or before December 1 of the year  
24 preceding the distribution under sub. (7m) (a), the department of revenue shall

1 notify the clerk of each town, village and city of the estimated fair market value, as  
2 determined under sub. (11), to be used to calculate the lottery and gaming credit  
3 under sub. (5) and the homeowner's tax credit under sub. (5m) and of the amount to  
4 be distributed to it under sub. (7m) (a) on the following 4th Monday in July. The  
5 anticipated receipt of such distribution shall not be taken into consideration in  
6 determining the tax rate of the municipality but shall be applied as tax credits.

7 **SECTION 1710e.** 79.10 (5m) of the statutes is created to read:

8 79.10 (5m) HOMEOWNER'S TAX CREDIT. Each municipality shall receive, from the  
9 appropriation under s. 20.835 (3) (bm), an amount determined by multiplying the  
10 school tax rate by the estimated fair market value, determined under sub. (11), but  
11 not to exceed \$60,000, of every principal dwelling that is located in the municipality  
12 and for which a claim for the credit under sub. (9) (bn) is made by the owner of the  
13 principal dwelling.

14 **SECTION 1710f.** 79.10 (6m) (a) of the statutes is amended to read:

15 79.10 (6m) (a) Except as provided in pars. (b) and (c), if the department of  
16 administration or the department of revenue determines by October 1 of the year of  
17 any distribution under subs. (4) ~~and~~, (5), and (5m) that there was an overpayment  
18 or underpayment made in that year's distribution by the department of  
19 administration to municipalities, as determined under subs. (4) ~~and~~, (5), and (5m),  
20 because of an error by the department of administration, the department of revenue,  
21 or any municipality, the overpayment or underpayment shall be corrected as  
22 provided in this paragraph. Any overpayment shall be corrected by reducing the  
23 subsequent year's distribution, as determined under subs. (4) ~~and~~, (5), and (5m), by  
24 an amount equal to the amount of the overpayment. Any underpayment shall be  
25 corrected by increasing the subsequent year's distribution, as determined under

1 subs. (4) ~~and~~, (5), and (5m), by an amount equal to the amount of the underpayment.  
2 Corrections shall be made in the distributions to all municipalities affected by the  
3 error. Corrections shall be without interest.

4 **SECTION 1710g.** 79.10 (7m) (c) of the statutes is created to read:

5 79.10 (7m) (c) *Homeowner's tax credit.* 1. The amount determined under sub.  
6 (5m) with respect to claims filed for which the town, village, or city has furnished  
7 notice under sub. (1m) by March 1 shall be distributed from the appropriation under  
8 s. 20.835 (3) (bm) by the department of administration on the 4th Monday in March.

9 2. The town, village, or city treasurer shall settle for the amounts distributed  
10 on the 4th Monday in March under this paragraph with each taxing jurisdiction  
11 within the taxation district or provide the amounts distributed to the appropriate  
12 county treasurer for settlement not later than April 15. Failure to settle timely under  
13 this subdivision subjects the town, village, or city treasurer to the penalties under  
14 s. 74.31. On or before August 20, the county treasurer shall settle with each taxing  
15 jurisdiction, including towns, villages, and cities except 1st class cities, in the county.

16 **SECTION 1710h.** 79.10 (9) (bn) of the statutes is created to read:

17 79.10 (9) (bn) *Homeowner's tax credit.* Except as provided in ss. 79.175 and  
18 79.18, a homeowner's tax credit shall be allocated to every principal dwelling for  
19 which a credit is claimed under sub. (10) in an amount determined by multiplying  
20 the estimated fair market value of the principal dwelling, as determined under sub.  
21 (11), but not to exceed \$60,000, by the school tax rate.

22 **SECTION 1710i.** 79.10 (9) (c) 1. of the statutes is amended to read:

23 79.10 (9) (c) 1. The lottery and gaming credit under par. (bm) and the  
24 homeowner's tax credit under par. (bn) shall reduce the property taxes otherwise

1 payable on property that is eligible for that credit and if the property owner  
2 completes the information required under sub. (10) (a) or (b).

3 **SECTION 1710j.** 79.10 (10) (title) of the statutes is amended to read:

4 79.10 (10) (title) CLAIMING THE LOTTERY AND GAMING CREDIT AND THE  
5 HOMEOWNER'S TAX CREDIT.

6 **SECTION 1710k.** 79.10 (10) (a) of the statutes is amended to read:

7 79.10 (10) (a) ~~Beginning with property taxes levied in 1999, the~~ The owner of  
8 a principal dwelling may claim the ~~credit~~ credits under sub. (9) (bm) and (bn) by  
9 applying for the ~~credit~~ credits on a form prescribed by the department of revenue.  
10 A claimant shall attest that, as of the certification date, the claimant is an owner of  
11 property and that such property is used by the owner in the manner specified under  
12 sub. (1) (dm). The certification date is January 1 of the year in which the property  
13 taxes are levied. The claimant shall file the application for the ~~lottery and gaming~~  
14 ~~credit~~ credits with the treasurer of the county in which the property is located or, if  
15 the property is located in a city that collects taxes under s. 74.87, with the treasurer  
16 of the city in which the property is located. Subject to review by the department of  
17 revenue, a treasurer who receives a completed application shall direct that the  
18 property described in the application be identified on the next tax roll as property for  
19 which the owner is entitled to receive a ~~lottery and gaming credit~~ credits. A claim  
20 that is made under this paragraph is valid for as long as the property is eligible for  
21 the ~~credit~~ credits under sub. (9) (bm) and (bn).

22 **SECTION 1710L.** 79.10 (10) (b) of the statutes is amended to read:

23 79.10 (10) (b) A person who becomes eligible for a ~~credit~~ credits under sub. (9)  
24 (bm) and (bn) may claim the ~~credit~~ credits by filing an application, on a form  
25 prescribed by the department of revenue, with the treasurer of the county in which

1 the property is located or, if the property is located in a city that collects taxes under  
2 s. 74.87, with the treasurer of the city in which the property is located. Claims made  
3 under this paragraph are valid for as long as the property is eligible for the ~~credit~~  
4 credits under sub. (9) (bm) and (bn).

5 **SECTION 1710m.** 79.10 (10) (bm) of the statutes is amended to read:

6 79.10 (10) (bm) 1. A person who is eligible for a ~~credit~~ credits under sub. (9) (bm)  
7 and (bn) but whose property tax bill does not reflect the ~~credit~~ credits may claim the  
8 ~~credit~~ credits by applying to the treasurer of the taxation district in which the  
9 property is located for the ~~credit~~ credits under par. (a) by January 31 following the  
10 issuance of the person's property tax bill. The treasurer shall compute the amount  
11 of the ~~credit~~ credits; subtract the amount of the ~~credit~~ credits from the person's  
12 property tax bill; notify the person of the reduced amount of the property taxes due;  
13 issue a refund to the person if the person has paid the property taxes in full; and enter  
14 the person's property on the next tax roll as property that qualifies for a lottery and  
15 gaming credit and a homeowner's tax credit. Claims made under this subdivision  
16 are valid for as long as the property is eligible for the ~~credit~~ credits under sub. (9) (bm)  
17 and (bn).

18 2. A person who may apply for a ~~credit~~ credits under subd. 1. but who does not  
19 timely apply for the ~~credit~~ credits under subd. 1. may apply to the department of  
20 revenue no later than October 1 following the issuance of the person's property tax  
21 bill. Subject to review by the department, the department shall compute the amount  
22 of the ~~credit~~ credits; issue a check to the person in the amount of the ~~credit~~ credits;  
23 and notify the treasurer of the county in which the person's property is located or the  
24 treasurer of the taxation district in which the person's property is located, if the  
25 taxation district collects taxes under s. 74.87. The treasurer shall enter the person's

1 property on the next tax roll as property that qualifies for a lottery and gaming credit  
2 and a homeowner's tax credit. Claims made under this subdivision are valid for as  
3 long as the property is eligible for the ~~credit~~ credits under sub. (9) (bm) and (bn).

4 **SECTION 1710n.** 79.10 (10) (bn) of the statutes is amended to read:

5 79.10 (10) (bn) 1. If a person who owns and uses property as specified under  
6 sub. (1) (dm), as of the certification date under par. (a), transfers the property after  
7 the certification date, the transferee may apply to the treasurer of the county in  
8 which the property is located or, if the property is located in a city that collects taxes  
9 under s. 74.87, to the treasurer of the city in which the property is located for the  
10 ~~credit~~ credits under sub. (9) (bm) and (bn) on a form prescribed by the department  
11 of revenue. The transferee shall attest that, to the transferee's knowledge, the  
12 transferor used the property in the manner specified under sub. (1) (dm) as of the  
13 certification date under par. (a). A claim that is made under this subdivision is valid  
14 for as long as the property is eligible for the ~~credit~~ credits under sub. (9) (bm) and (bn).

15 2. A person who is eligible for a ~~credit~~ credits under subd. 1. but whose property  
16 tax bill does not reflect the ~~credit~~ credits may claim the ~~credit~~ credits by applying to  
17 the treasurer of the taxation district in which the property is located for the ~~credit~~  
18 credits by January 31 following the issuance of the person's property tax bill. Claims  
19 made after January 31, but no later than October 1 following the issuance of the  
20 person's property tax bill, shall be made to the department of revenue. Paragraph  
21 (bm), as it applies to processing claims made under that paragraph, applies to  
22 processing claims made under this subdivision.

23 **SECTION 1710p.** 79.10 (10) (c) of the statutes is amended to read:

24 79.10 (10) (c) If a person who is certified under par. (a) to claim the ~~credit~~ credits  
25 under sub. (9) (bm) and (bn) becomes ineligible for the ~~credit~~ credits under sub. (9)

1 (bm) and (bn), that person shall, within 30 days of becoming ineligible, notify the  
2 treasurer of the county in which the property is located or, if the property is located  
3 in a city that collects taxes under s. 74.87, the treasurer of the city in which the  
4 property is located.

5 **SECTION 1710q.** 79.10 (10) (e) 2. of the statutes is amended to read:

6 79.10 (10) (e) 2. The certification procedure includes a procedure that is similar  
7 in effect to the procedure described in ~~par.~~ pars. (bm) and (bn).

8 **SECTION 1710r.** 79.10 (10) (f) of the statutes is amended to read:

9 79.10 (10) (f) Each county and city that administers the ~~credit~~ credits under  
10 sub. (9) (bm) and (bn) shall implement a procedure to periodically verify the  
11 eligibility of properties for which a credit is claimed. In 2004, and every 5th year  
12 thereafter, each county and city that administers the ~~credit~~ credits under sub. (9)  
13 (bm) and (bn) shall file a report with the department of revenue, in the manner and  
14 at the time prescribed by the department of revenue, that describes the procedures  
15 that the county or city uses to verify the credits claimed under this subsection and  
16 evaluates the efficacy of such procedures.”.

17 **6.** Page 990, line 6: after that line insert:

18 “(1k) HOMEOWNER’S TAX CREDIT. An application for the lottery and gaming credit  
19 under section 79.10 (10), 2003 stats., shall be considered to be an application for the  
20 homeowner’s tax credit under section 79.10 (10) of the statutes, as affected by this  
21 act, and any valid claim for the lottery and gaming credit under section 79.10 (10),  
22 2003 stats., shall be considered to be a valid claim for the homeowner’s tax credit  
23 under section 79.10 (10) of the statutes, as affected by this act.

