

2005 DRAFTING REQUEST

Senate Amendment (SA-AB100)

Received: 06/24/2005

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Judith Robson (608) 266-2253

By/Representing: nadine

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Property - credits

Extra Copies:

Submit via email: YES

Requester's email: Sen.Robson@legis.state.wi.us

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

Pre Topic:

No specific pre topic given

Topic:

Homeowner's property tax credit; increase school levy property tax credit

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 06/24/2005	csicilia 06/24/2005		_____			
/1			rschlue 06/24/2005	_____	sbasford 06/24/2005	sbasford 06/24/2005	

FE Sent For:

<END>

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/?	jkreye	1 cis 6/24 05					

FE Sent For:

<END>

2005

Date (time) *in 6-24-05*
needed _____

LRB b 067211

BUDGET AMENDMENT

vkc: js: _____

[Not for compile]

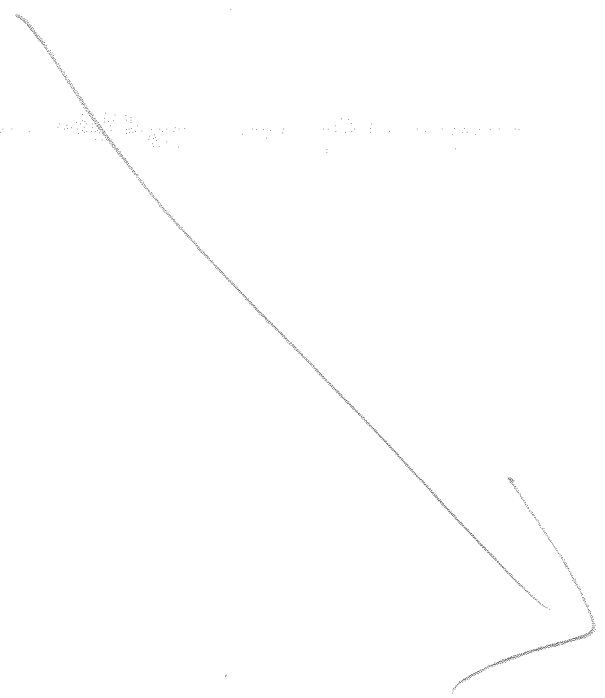
See form **AMENDMENTS — COMPONENTS & ITEMS.**

**SENATE AMENDMENT
TO 2005 AB 100**

At the locations indicated, amend the engrossed bill as follows:

D-N

- ~~#. Page , line :~~
- ~~#. Page , line :~~
- ~~#. Page , line :~~
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**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, Poca, Pope-Roberts, Richards, Seidel, Sheridan, Sherman, Sinicki, Staskunas, Toles, Turner, Vruwink, Young and Zepnick.

*** AUTHORS SUBJECT TO CHANGE ***

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 ²¹176 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 ¹⁷4 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: ¹⁹ 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) ⁹HOMEOWNER'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.

1 (1m) REPORT. Notwithstanding section 13.52 (5) and (6) of the statutes, the
2 joint survey committee on tax exemptions shall prepare a report that, to provide
3 funding for the homeowner's tax credit under section 79.10 (5) of the statutes, as
4 affected by this act, recommends changes to the corporate income and franchise
5 taxes imposed by this state, not including any increase in corporate income or
6 franchise tax rates, and repealing certain sales and use tax exemptions that
7 primarily affect corporations. The committee shall submit the report to the
8 legislature no later than 60 days after the effective date of this subsection."

9 **7.** Page 1037, line 5; after that line insert:

10 "(6m) HOMEOWNER'S TAX CREDIT. The treatment of sections 20.835 (3) (bm),
11 74.09 (3) (b) 6., and 79.10 (1) (dm), (1m), (2), (5m), (6m) (a), (7m) (c), (9) (bn) and (c)
12 1., and (10) (title), (a), (b), (bm), (bn), (c), (e) 2., and (f) of the statutes first applies to
13 property taxes levied in 2005.

14 (6n) SCHOOL PROPERTY INCOME TAX CREDIT. The treatment of section 71.07 (9)
15 (b) 5. of the statutes first applies to taxable years beginning on January 1, 2006."

16

(END)

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

LRBb0529/1dr
JK:wj:pg
0672/1dr
js

June 21, 2005

Senator Robson

~~Representative Kreuser:~~

This amendment contains the provisions of LRB-1985/2, which creates a homeowner's property tax credit and increases the amount of the school property income tax credit.

JK

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

LRBb0672/1dn
JK:cjs:rs

June 24, 2005

Senator Robson:

This amendment creates a homeowner's property tax credit and increases the amount of the school property income tax credit.

Joseph T. Kreye
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