

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1505/1	Introduction Number AB-614
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Subject
 February settlement of personal property taxes

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Milda Aksamitauskas (608) 261-5173	Authorized Signature Paul Ziegler (608) 266-5773	Date 8/26/2005
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Fiscal Estimate Narratives
DOR 8/26/2005

LRB Number 05-1505/1	Introduction Number AB-614	Estimate Type Original
Subject February settlement of personal property taxes		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, property taxes levied on real property and personal property taxes on improvements located on leased land are payable in full on or before January 31 of each year or are payable in two equal installments – with the first installment due on or before January 31 and the second installment due on or before July 31. Alternatively, current law allows a municipality, by ordinance, to collect real property taxes and property taxes on improvements located on leased land in three or more installments. During the February settlement, the taxation district pays each taxing jurisdiction its proportionate share of collected real property taxes. All personal property taxes, however, including taxes on improvements on leased land, must be forwarded to the taxing jurisdictions even though some portion is not yet collected due to installment payments.

Under the bill, during the February settlement, the taxation district will pay each taxing jurisdiction only its proportionate share of personal property taxes on leased land collected by the district as of January 31.

The Department of Revenue estimates that about \$3 million of property taxes on improvements on leased land are postponed for the second installment. Under the bill, municipalities would not settle for this amount with taxing jurisdictions during the February settlement, but would forward tax rolls to counties. Consequentially, the bill would result in minor cash flow changes in municipalities, counties, and other local governments where the tax base includes improvements on leased land.

The bill has no state fiscal effect.

Long-Range Fiscal Implications