

Fiscal Estimate Narratives

DOR 3/30/2005

LRB Number 05-1894/2	Introduction Number AB-139	Estimate Type Corrected
Subject Property tax exemption for property of a federally recognized tribe		

Assumptions Used in Arriving at Fiscal Estimate

Generally, real property owned by federally recognized tribes or bands is subject to property taxes. Real property held by the federal government in trust for American Indian tribes or bands is not subject to state and local taxation.

Under the bill, real property owned by a federally recognized American Indian tribe or band would be exempt from property taxes. In addition, owners of exempt American Indian property would not have to report their property values for the statutory summary of tax exemption devices under the bill.

Based on a survey of county treasurers, municipal assessors, Department appraisors, and tribes, the Department identified property owned by American Indian tribes that was subject to property taxes. In 2004, the equalized value of the property was about \$180 million and property taxes of about \$3 million were levied thereon. Under the bill, the \$3 million taxes would be shifted to other owners of taxable property. Taxable property owned by tribes is concentrated in Barron, Brown, Dane, Forest, Richland, Sauk, Sawyer, and Shawano counties.

The bill would require minor revisions to the Wisconsin Property Assessment Manual, various forms and publications, the cost of which would be absorbed.

State forestry tax collections would decrease by \$36,000 (\$180 million x 0.0002) under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1894/2		Introduction Number AB-139	
Subject			
Property tax exemption for property of a federally recognized tribe			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (Forestry)			-36,000
TOTAL State Revenues		\$	-\$36,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-36,000	\$
Agency/Prepared By		Authorized Signature	
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		Date	
		3/29/2005	