



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1009/3

JK:wlj:non

RMR stays

DOA:.....Hatch, BB0207 - School levy property tax credit

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

in 1-26-07

Don't Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

This bill creates a property tax credit for improvements on real property. The amount of the credit is calculated by multiplying the equalized value of the improvement, as determined by DOR, by the school tax rate for the municipality where the improvement is located. The amount of the credit is paid to the municipality and applied to the property owner's property tax bill, thereby reducing the amount of the property taxes that the property owner must pay on the improvement.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.835 (3) (b) of the statutes is amended to read:

3 20.835 (3) (b) *School levy tax credit and first dollar credit.* A sum sufficient to

4 make the payments under s. 79.10 (4) and (5m).

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

1 SECTION 2. 74.09 (3) (b) 6m. of the statutes is created to read:

2 74.09 (3) (b) 6m. The amount of the credit under s. 79.10 (5m) allocable to the
3 property for the previous year and the current year, and the percentage change
4 between those years.

5 SECTION 3. 74.09 (3) (b) 7. of the statutes is amended to read:

6 74.09 (3) (b) 7. The amount obtained by subtracting the amount amounts under
7 ~~subd. subds. 6. and 6m.~~ from the amount under subd. 5., for the previous year and
8 the current year, and the percentage change in that amount between those years.

9 SECTION 4. 79.10 (1m) (b) of the statutes is amended to read:

10 79.10 (1m) (b) Counties and municipalities shall submit to the department of
11 revenue all data related to the lottery and gaming credit and the first dollar credit
12 ~~and~~ requested by the department of revenue. *as* *move*

13 SECTION 5. 79.10 (2) of the statutes is renumbered 79.10 (2) (a).

14 SECTION 6. 79.10 (2) (b) of the statutes is created to read:

15 79.10 (2) (b) On or before December 1 of the year preceding the distribution
16 under sub. (7m) (c), the department of revenue shall notify the clerk of each town,
17 village, and city of the equalized value used to calculate the first dollar credit under
18 sub. (5m) and of the amount to be distributed to it under sub. (7m) (c) on the following
19 4th Monday in July. The anticipated receipt of such distribution shall not be taken
20 into consideration in determining the tax rate of the municipality but shall be
21 applied as tax credits.

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

1 **79.10 (5m) FIRST DOLLAR CREDIT.** Each municipality shall receive, from the
2 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
3 school tax rate by the equalized value, as determined by the department of revenue,
4 of every improvement on real property that is located in the municipality.

5 **SECTION 8.** 79.10 (6m) (a) of the statutes is amended to read:

6 **79.10 (6m) (a)** Except as provided in pars. (b) and (c), if the department of
7 administration or the department of revenue determines by October 1 of the year of
8 any distribution under subs. (4) ~~and, (5), and (5m)~~ that there was an overpayment
9 or underpayment made in that year's distribution by the department of
10 administration to municipalities, as determined under subs. (4) ~~and, (5), and (5m)~~,
11 because of an error by the department of administration, the department of revenue
12 or any municipality, the overpayment or underpayment shall be corrected as
13 provided in this paragraph. Any overpayment shall be corrected by reducing the
14 subsequent year's distribution, as determined under subs. (4) ~~and, (5), and (5m)~~, by
15 an amount equal to the amount of the overpayment. Any underpayment shall be
16 corrected by increasing the subsequent year's distribution, as determined under
17 subs. (4) ~~and, (5), and (5m)~~, by an amount equal to the amount of the underpayment.
18 Corrections shall be made in the distributions to all municipalities affected by the
19 error. Corrections shall be without interest.

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21 **79.10 (7m) (c) First dollar credit.** 1. The amount determined under sub. (5m)
22 shall be distributed from the appropriation under s. 20.835 (3) (b) by the department
23 of administration on the 4th Monday in July.

24 2. The town, village, or city treasurer shall settle for the amounts distributed
25 on the 4th Monday in July under this paragraph with each taxing jurisdiction within

1 the taxation district or provide the amounts distributed to the appropriate county
2 treasurer for settlement not later than August 15. Failure to settle timely under this
3 subdivision subjects the town, village, or city treasurer to the penalties under s.
4 74.31. On or before August 20, the county treasurer shall settle with each taxing
5 jurisdiction, including towns, villages, and cities except 1st class cities, in the county.

6 **SECTION 10.** 79.10 (9) (bn) of the statutes is created to read:

7 79.10 (9) (bn) *First dollar credit.* Except as provided in ss. 79.175 and 79.18,
8 and subject to s. 79.15, the first dollar credit shall be allocated to every improvement
9 on real property in an amount determined by multiplying the equalized value of the
10 improvement, as determined by the department of revenue, by the school tax rate.

11 **SECTION 11.** 79.10 (9) (c) 3. of the statutes is created to read:

12 79.10 (9) (c) 3. The credit under par. (bn) shall reduce the property taxes
13 otherwise payable.

14 **SECTION 12.** 79.10 (11) (d) of the statutes is created to read:

15 79.10 (11) (d) Before December 1, the department of revenue shall calculate,
16 to the nearest \$100, the estimated fair market value necessary to distribute the total
17 amount available for distribution under s. 79.15.

18 **SECTION 13.** 79.15 of the statutes is created to read:

19 **79.15 Improvements credit.** Beginning in 2009, the total amount paid each
20 year to municipalities from the appropriation account under s. 20.835 (3) (b) is
21 \$106,950,000.

22 **SECTION 9341. Initial applicability; Revenue.**

23 (1) **FIRST DOLLAR PROPERTY TAX CREDIT.** The treatment of sections 20.835 (3) (b),
24 74.09 (3) (b) 6m. and 7., 79.10 (1m) (b), (2) (a) and (b), (5m), (6m) (a), (7m) (c), (9) (bn)

1 and (c) 3., and (11) (d) and 79.15 of the statutes first applies to property taxes levied
2 in 2009.

3 (END)

Kreye, Joseph

From: Hatch, Nikki - DOA
Sent: Saturday, January 27, 2007 2:31 PM
To: Kreye, Joseph
Subject: RE: LRB Draft: 07-1009/4 School levy property tax credit

Joe,
These are the comments I got back from DOR, and they'll all need to be incorporated.

Thanks,
Nikki

- ✓ 1. page 4 lines 19-21 -- Since both credits will be paid through one GPR appropriation, 20.835 (3)(b), this needs to be tweaked to clarify that the \$106.95m is for the improvements credit only. You could add "for the payments under s.79.10 (5m)" after "(b)" on line 20. IN ADDITION, you likely need a change to s.79.14 to get both credits to flow into one total for the appropriation without conflicting language.
- ✓ 2. page 4 lines 7-11 -- re: the allocation of the credit to each parcel . What if there is more than one improvement on a parcel? Should "every improvement on real property" on lines 8-9 be "every parcel of real property upon which improvements are located" or "every parcel containing improvements"? Also on line 9, should "the equalized value of the improvement" be replaced with "the amount determined by the department of revenue under 79.10 (11)(d)" (i.e. the value to which the credit applies).?
- ✓ 3. page 3 lines 1-4 -- setting the amount to each muni -- as stands sounds like the school mill rate times the entire value of improvements in the muni rather than the number of parcels receiving the credit times the value to which the credit applies.

From: Greenslet, Patty [mailto:Patty.Greenslet@legis.wisconsin.gov]
Sent: Friday, January 26, 2007 5:37 PM
To: Hatch, Nikki - DOA
Cc: Koskinen, John - DOA; Hanaman, Cathlene - LEGIS; Palchik, Laurie A - DOA
Subject: LRB Draft: 07-1009/4 School levy property tax credit

Following is the PDF version of draft 07-1009/4.



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DOA:.....Hatch, BB0207 - School levy property tax credit

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

Each municipality then applies the amount it receives to the property tax bills of its property owners, apportioning the amount according to the equalized value of each property owner's improvements.

1-29-07
Under the bill, annually, beginning in 2009, \$106,950,000 is distributed to municipalities in amounts that are in the same proportion as the amounts obtained by multiplying the equalized value of the improvements in each municipality by the school tax rate for the municipality.

Do NOT Gen Cat

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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20 into consideration in determining the tax rate of the municipality but shall be
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INSERT 2-21

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25 on the 4th Monday in July under this paragraph with each taxing jurisdiction within

parcel of real property on which improvements are located

1 the taxation district or provide the amounts distributed to the appropriate county
2 treasurer for settlement not later than August 15. Failure to settle timely under this
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4 74.31. On or before August 20, the county treasurer shall settle with each taxing
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9 ~~on real property~~ in an amount determined by multiplying the equalized value of the
10 improvement, ^{amount} as determined by the department of revenue, ^{under sub. (11)(d)} by the school tax rate.

11 **SECTION 11.** 79.10 (9) (c) 3. of the statutes is created to read:

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INSERT 4-18

1 and (c) 3., and (11) (d) and 79.15 of the statutes first applies to property taxes levied
2 in 2009.

3 (END)

Section #. 79.10 (4) of the statutes is amended to read:

Except as provided in sub. (5m), the

79.10 (4) SCHOOL LEVY TAX CREDIT. ~~The~~ amount appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in proportion to their share of the sum of average school tax levies for all municipalities.

History: 1971 c. 125 ss. 412, 521; Stats. 1971 s. 79.10; 1973 c. 90; 1975 c. 39, 199; 1977 c. 29, 418; 1979 c. 110 s. 60 (11); 1981 c. 20 ss. 1174 to 1182n, 2202 (45) (b); 1981 c. 93, 314, 317; 1983 a. 2 ss. 6 to 10, 12; 1983 a. 3, 27; 1983 a. 189 s. 329 (17m); 1983 a. 395; 1985 a. 4, 29, 39, 120; 1987 a. 27, 378; 1991 a. 39, 225, 269, 323; 1993 a. 16; 1995 a. 27; 1997 a. 27, 164; 1999 a. 5, 9, 83, 84, 185; 2001 a. 16; 2003 a. 33; 2005 a. 399.

Insert 4-18

Section #. 79.14 of the statutes is amended to read:

for the payments under
s. 79.10(4),

79.14 School levy tax credit. The appropriation under s. 20.835 (3) (b) is \$319,305,000 in 1994, 1995, and 1996; \$469,305,000 beginning in 1997 and ending in 2006; and \$593,050,000 in each year thereafter.

History: 1991 a. 39, 315; 1995 a. 27; 2005 a. 25.

Kreye, Joseph

From: Hatch, Nikki - DOA
Sent: Wednesday, January 31, 2007 4:15 PM
To: Kreye, Joseph
Subject: RE: LRB Draft: 07-1009/5 School levy property tax credit

Yes, sorry. I missed the second page on my cut-and-paste. Here's the missing paragraph:

2. The town, village, or city treasurer shall settle for the amounts distributed under this paragraph on the 4th Monday in July with the appropriate county treasurer not later than August 15. Failure to settle timely under this subdivision subjects the town, village, or city treasurer to penalties under s. 74.31. On or before August 20, the county treasurer shall settle with each taxing jurisdiction, including towns, villages, and cities except 1st class cities, in the county.

Nikki

From: Kreye, Joseph [mailto:Joseph.Kreye@legis.wisconsin.gov]
Sent: Wednesday, January 31, 2007 4:12 PM
To: Hatch, Nikki - DOA
Subject: RE: LRB Draft: 07-1009/5 School levy property tax credit

Nikki,

Is there something missing from this email? It mentions proposed language at the end, but then doesn't provide the language.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Hatch, Nikki - DOA
Sent: Wednesday, January 31, 2007 4:02 PM
To: Schlueter, Ron; Kreye, Joseph
Subject: RE: LRB Draft: 07-1009/5 School levy property tax credit

Joe,
I have these recent suggestions from DOR:

Section 5 of the bill needs to do more. In the re-numbered s. 79.10 (2) (a) there is a phrase "as determined under sub. (11)". Since the bill adds a calculation to this subsection, the reference should be changed to "as determined under sub. (11)(c), which is where the value for the lottery and gaming credit is calculated. Note that the same change in cross-reference would also be needed in s. 79.10 (5).

Section 6 of the bill, as currently drafted, can not be administered. Neither the Department of Revenue or

01/31/2007

municipal assessors/other officials calculate an equalized value for individual parcels. The phrase "the equalized value" on page 2, line 17 should be replaced with language similar to that used for the lottery and gaming credit. The following is recommended: "estimated fair market value, as determined under sub. (11)(d)".

Section 7 of the bill, as currently drafted, can not be administered. First, it assumes that an equalized value is calculated for individual properties. In addition, the credit would apply to each improvement on a parcel. Thus, a residential parcel with a house, detached garage, and a garden shed would get 3 credits; a residential parcel with a house and detached garage would get 2 credits; and a residential parcel with a house and attached garage would get 1 credit. In addition, the credit would be paid on the entire credit value, regardless of the improvement's value. The language for this credit should parallel that used for the lottery and gaming credit. Thus, the credit should be stated as follows:

(5m) FIRST DOLLAR CREDIT. Each municipality shall receive, from the appropriation under [separate appropriation for this credit], an amount determined by multiplying the school tax rate by the estimated market value, not exceeding the value determined sub. (11) (d), of every parcel of real property with improvements that is located in the municipality.

Section 9 of the bill has two problems. First, the cross-reference to the appropriation is to the separate appropriation from which the first dollar credit is paid. Second, except for 1st class cities, tax rolls are turned over to counties by July 31. The language concerning settlement should therefore parallel the language used for the school levies credit, which is also paid on the 4th Monday in July. Thus, the language in proposed s. 79.10 (7m) (c) 2. should be replaced as follows:

Let me know if you have questions about these.

Nikki

From: Schlueter, Ron [mailto:Ron.Schlueter@legis.wisconsin.gov]
Sent: Monday, January 29, 2007 12:31 PM
To: Hatch, Nikki - DOA
Cc: Koskinen, John - DOA; Hanaman, Cathlene - LEGIS; Palchik, Laurie A - DOA
Subject: LRB Draft: 07-1009/5 School levy property tax credit

Following is the PDF version of draft 07-1009/5.



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2007 - 2008 LEGISLATURE

LRB-1009/5

JK:wlj&cs:rs

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m 1-31-07

D-N

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use 2x7
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20 sub. (5m) and of the amount to be distributed to it under sub. (7m) (c) on the following
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22 into consideration in determining the tax rate of the municipality but shall be
23 applied as tax credits.

, as determined
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3 amount appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in
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20 **SECTION 13.** 79.10 (11) (d) of the statutes is created to read:

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4 thereafter.

5 **SECTION 15.** 79.15 of the statutes is created to read:

6 **79.15 Improvements credit.** Beginning in 2009, the total amount paid each
7 year to municipalities from the appropriation account under s. 20.835 (3) (b) for the
8 payments under s. 79.10 (5m) is \$106,950,000.

9 **SECTION 9341. Initial applicability; Revenue.**

10 (1) **FIRST DOLLAR PROPERTY TAX CREDIT.** The treatment of sections 20.835 (3) (b),
11 74.09 (3) (b) 6m. and 7., 79.10 (1m) (b), (2) (a) and (b), (5m), (6m) (a), (7m) (c), (9) (bn)
12 and (c) 3., and (11) (d) and 79.15 of the statutes first applies to property taxes levied
13 in 2009.

14 **(END)**

(5),
apply
the renumbering and amendment of
section 79.10 ~~(1)~~ (2) of the
statutes, and the creation
of section 79.10 (2) (b)
of the statutes

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1009/6ins
JK:wlj&cs:rs

Insert 2 - 15

1 **SECTION 1.** 79.10 (2) of the statutes is renumbered 79.10 (2) (a) and amended
2 to read:

3 **79.10 (2) (a) NOTICE TO MUNICIPALITIES.** On or before December 1 of the year
4 preceding the distribution under sub. (7m) (a), the department of revenue shall
5 notify the clerk of each town, village and city of the estimated fair market value, as
6 determined under sub. (11) (c), to be used to calculate the lottery and gaming credit
7 under sub. (5) and of the amount to be distributed to it under sub. (7m) (a) on the
8 following 4th Monday in July. The anticipated receipt of such distribution shall not
9 be taken into consideration in determining the tax rate of the municipality but shall
10 be applied as tax credits.

History: 1971 c. 125 ss. 412, 521; Stats. 1971 s. 79.10; 1973 c. 90; 1975 c. 39, 199; 1977 c. 29, 418; 1979 c. 110 s. 60 (11); 1981 c. 20 ss. 1174 to 1182n, 2202 (45) (b); 1981 c. 93, 314, 317; 1983 a. 2 ss. 6 to 10, 12; 1983 a. 3, 27; 1983 a. 189 s. 329 (17m); 1983 a. 395; 1985 a. 4, 29, 39, 120; 1987 a. 27, 378; 1991 a. 39, 225, 269, 323; 1993 a. 16; 1995 a. 27; 1997 a. 27, 164; 1999 a. 5, 9, 83, 84, 185; 2001 a. 16; 2003 a. 33; 2005 a. 399.

Insert 3 - 9

11 **SECTION 2.** 79.10 (5) of the statutes is amended to read:

12 **79.10 (5) LOTTERY AND GAMING CREDIT.** Each municipality shall receive, from the
13 appropriation under s. 20.835 (3) (q), an amount determined by multiplying the
14 school tax rate by the estimated fair market value, not exceeding the value
15 determined under sub. (11) (c), of every principal dwelling that is located in the
16 municipality and for which a claim for the credit under sub. (9) (bm) is made by the
17 owner of the principal dwelling.

History: 1971 c. 125 ss. 412, 521; Stats. 1971 s. 79.10; 1973 c. 90; 1975 c. 39, 199; 1977 c. 29, 418; 1979 c. 110 s. 60 (11); 1981 c. 20 ss. 1174 to 1182n, 2202 (45) (b); 1981 c. 93, 314, 317; 1983 a. 2 ss. 6 to 10, 12; 1983 a. 3, 27; 1983 a. 189 s. 329 (17m); 1983 a. 395; 1985 a. 4, 29, 39, 120; 1987 a. 27, 378; 1991 a. 39, 225, 269, 323; 1993 a. 16; 1995 a. 27; 1997 a. 27, 164; 1999 a. 5, 9, 83, 84, 185; 2001 a. 16; 2003 a. 33; 2005 a. 399.

18 **SECTION 3.** 79.10 (5m) of the statutes is created to read:

19 **79.10 (5m) FIRST DOLLAR CREDIT.** Each municipality shall receive, from the
20 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the

1 school tax rate by the estimated fair market value, not exceeding the value
2 determined under sub. (11) (d), of every parcel of real property with improvements
3 that is located in the municipality.

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

DN

1009/6dm

Atli,

This draft reflects the latest changes
recommended by DOR.
DOR

JK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1009/6dn
JK:cjs:nwn

January 31, 2007

Nikki,

This draft reflects the latest changes recommended by DOR.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Kreye, Joseph

From: Hatch, Nikki - DOA
Sent: Saturday, February 03, 2007 3:12 PM
To: Natzke, Noah; Kreye, Joseph
Subject: RE: LRB Draft: 07-1009/6 School levy property tax credit
Importance: High

Joe,
Another last minute decision:

Please reduce the amount of the first dollar credit to \$100 million. It's referred to in the summary paragraph and on page 5, line 24.

Thank you,
Nikki

From: Natzke, Noah [mailto:Noah.Natzke@legis.wisconsin.gov]
Sent: Wednesday, January 31, 2007 5:33 PM
To: Hatch, Nikki - DOA
Cc: Koskinen, John - DOA; Hanaman, Cathlene - LEGIS; Palchik, Laurie A - DOA
Subject: LRB Draft: 07-1009/6 School levy property tax credit

Following is the PDF version of draft 07-1009/6.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1009/6
JK:wlj&cs:nnw

PM note

DOA:.....Hatch, BB0207 - School levy property tax credit

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

in 2-5-07

don't gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

\$100,000,000 ✓

This bill creates a property tax credit for improvements on real property. Under the bill, annually, beginning in 2009, ~~\$106,950,000~~ is distributed to municipalities in amounts that are in the same proportion as the amounts obtained by multiplying the fair market value of the improvements in each municipality by the school tax rate for the municipality. Each municipality then applies the amount it receives to the property tax bills of its property owners, apportioning the amount according to the fair market value of each property owner's improvements, thereby reducing the amount of the property taxes that the property owner must pay on the improvements.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.835 (3) (b) of the statutes is amended to read:

SECTION 1

1 20.835 (3) (b) *School levy tax credit and first dollar credit*. A sum sufficient to
2 make the payments under s. 79.10 (4) and (5m).

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

3 **SECTION 2.** 74.09 (3) (b) 6m. of the statutes is created to read:

4 74.09 (3) (b) 6m. The amount of the credit under s. 79.10 (5m) allocable to the
5 property for the previous year and the current year, and the percentage change
6 between those years.

7 **SECTION 3.** 74.09 (3) (b) 7. of the statutes is amended to read:

8 74.09 (3) (b) 7. The amount obtained by subtracting the amount amounts under
9 subd. subds. 6. and 6m. from the amount under subd. 5., for the previous year and
10 the current year, and the percentage change in that amount between those years.

11 **SECTION 4.** 79.10 (1m) (b) of the statutes is amended to read:

12 79.10 (1m) (b) Counties and municipalities shall submit to the department of
13 revenue all data related to the lottery and gaming credit and the first dollar credit
14 as requested by the department of revenue.

15 **SECTION 5.** 79.10 (2) of the statutes is renumbered 79.10 (2) (a) and amended
16 to read:

17 79.10 (2) (a) NOTICE TO MUNICIPALITIES. On or before December 1 of the year
18 preceding the distribution under sub. (7m) (a), the department of revenue shall
19 notify the clerk of each town, village and city of the estimated fair market value, as
20 determined under sub. (11) (c), to be used to calculate the lottery and gaming credit
21 under sub. (5) and of the amount to be distributed to it under sub. (7m) (a) on the
22 following 4th Monday in July. The anticipated receipt of such distribution shall not

1 be taken into consideration in determining the tax rate of the municipality but shall
2 be applied as tax credits.

3 **SECTION 6.** 79.10 (2) (b) of the statutes is created to read:

4 79.10 (2) (b) On or before December 1 of the year preceding the distribution
5 under sub. (7m) (c), the department of revenue shall notify the clerk of each town,
6 village, and city of the estimated fair market value, as determined under sub. (11)
7 (d), used to calculate the first dollar credit under sub. (5m) and of the amount to be
8 distributed to it under sub. (7m) (c) on the following 4th Monday in July. The
9 anticipated receipt of such distribution shall not be taken into consideration in
10 determining the tax rate of the municipality but shall be applied as tax credits.

11 **SECTION 7.** 79.10 (4) of the statutes is amended to read:

12 79.10 (4) SCHOOL LEVY TAX CREDIT. The Except as provided in sub. (5m), the
13 amount appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in
14 proportion to their share of the sum of average school tax levies for all municipalities.

15 **SECTION 8.** 79.10 (5) of the statutes is amended to read:

16 79.10 (5) LOTTERY AND GAMING CREDIT. Each municipality shall receive, from the
17 appropriation under s. 20.835 (3) (q), an amount determined by multiplying the
18 school tax rate by the estimated fair market value, not exceeding the value
19 determined under sub. (11) (c), of every principal dwelling that is located in the
20 municipality and for which a claim for the credit under sub. (9) (bm) is made by the
21 owner of the principal dwelling.

22 **SECTION 9.** 79.10 (5m) of the statutes is created to read:

23 79.10 (5m) FIRST DOLLAR CREDIT. Each municipality shall receive, from the
24 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
25 school tax rate by the estimated fair market value, not exceeding the value

1 determined under sub. (11) (d), of every parcel of real property with improvements
2 that is located in the municipality.

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

4 79.10 **(6m)** (a) Except as provided in pars. (b) and (c), if the department of
5 administration or the department of revenue determines by October 1 of the year of
6 any distribution under subs. (4) ~~and, (5), and (5m)~~ that there was an overpayment
7 or underpayment made in that year's distribution by the department of
8 administration to municipalities, as determined under subs. (4) ~~and, (5), and (5m)~~,
9 because of an error by the department of administration, the department of revenue
10 or any municipality, the overpayment or underpayment shall be corrected as
11 provided in this paragraph. Any overpayment shall be corrected by reducing the
12 subsequent year's distribution, as determined under subs. (4) ~~and, (5), and (5m)~~, by
13 an amount equal to the amount of the overpayment. Any underpayment shall be
14 corrected by increasing the subsequent year's distribution, as determined under
15 subs. (4) ~~and, (5), and (5m)~~, by an amount equal to the amount of the underpayment.
16 Corrections shall be made in the distributions to all municipalities affected by the
17 error. Corrections shall be without interest.

18 **SECTION 11.** 79.10 (7m) (c) of the statutes is created to read:

19 79.10 **(7m)** (c) *First dollar credit.* 1. The amount determined under sub. (5m)
20 shall be distributed from the appropriation under s. 20.835 (3) (b) by the department
21 of administration on the 4th Monday in July.

22 2. The town, village, or city treasurer shall settle for the amounts distributed
23 on the 4th Monday in July under this paragraph with the appropriate county
24 treasurer not later than August 15. Failure to settle timely under this subdivision
25 subjects the town, village, or city treasurer to the penalties under s. 74.31. On or

1 before August 20, the county treasurer shall settle with each taxing jurisdiction,
2 including towns, villages, and cities except 1st class cities, in the county.

3 **SECTION 12.** 79.10 (9) (bn) of the statutes is created to read:

4 79.10 (9) (bn) *First dollar credit.* Except as provided in ss. 79.175 and 79.18,
5 and subject to s. 79.15, the first dollar credit shall be allocated to every parcel of real
6 estate on which improvements are located in an amount determined by multiplying
7 the amount determined by the department of revenue under sub. (11) (d), by the
8 school tax rate.

9 **SECTION 13.** 79.10 (9) (c) 3. of the statutes is created to read:

10 79.10 (9) (c) 3. The credit under par. (bn) shall reduce the property taxes
11 otherwise payable.

12 **SECTION 14.** 79.10 (11) (d) of the statutes is created to read:

13 79.10 (11) (d) Before December 1, the department of revenue shall calculate,
14 to the nearest \$100, the estimated fair market value necessary to distribute the total
15 amount available for distribution under s. 79.15.

16 **SECTION 15.** 79.14 of the statutes is amended to read:

17 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b), for
18 the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996;
19 \$469,305,000 beginning in 1997 and ending in 2006; and \$593,050,000 in each year
20 thereafter.

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25 **SECTION 9341. Initial applicability; Revenue.**



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1009/7
JK:wlj&cs:nwn

DOA:.....Hatch, BB0207 - School levy property tax credit

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT** ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

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PROPERTY TAXATION

This bill creates a property tax credit for improvements on real property. Under the bill, annually, beginning in 2009, \$100,000,000 is distributed to municipalities in amounts that are in the same proportion as the amounts obtained by multiplying the fair market value of the improvements in each municipality by the school tax rate for the municipality. Each municipality then applies the amount it receives to the property tax bills of its property owners, apportioning the amount according to the fair market value of each property owner's improvements, thereby reducing the amount of the property taxes that the property owner must pay on the improvements.

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25 **SECTION 9341. Initial applicability; Revenue.**

