



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 29, 2009

MEMORANDUM

To: Representative Soletski

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2009 AB 215** (LRB-2452/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

M E M O R A N D U M

April 29, 2009

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 215 Regarding Determining the Value of
Billboards for Personal Property Tax Purposes

The Department of Revenue (DOR) has the following concerns regarding the bill.

Under the bill, an on-premises advertising sign would be valued differently than an off-premises advertising sign. In addition, off-premises advertising signs would be valued based solely on the cost approach while other property would still be valued using comparable sales, income, or cost approaches. Such differential treatment could raise questions under both the equal protection and uniformity in taxation clauses of the state constitution.

The bill provides an effective date of January 1, 2009. Since valuations for the 2009 assessment year are already in preparation or completed, the proposed date would create problems for the current assessment year. In order for DOR to notify assessors of the change in the law and to revise the Wisconsin Property Assessors Manual, we suggest that the change be effective for the January 1, 2010 assessment.

If you have any questions regarding this technical memorandum, please contact Daniel Huegel at 266-5705.

cc: Representative James Soletski