



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

June 9, 2009

MEMORANDUM

To: Representative Jorgensen

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

Subject: Technical Memorandum to **2009 AB 301** (LRB-2834/1) 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.

MEMORANDUM

June 4, 2009

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 301 Regarding a Real Property Tax Exemption for Snowmobile Clubs

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

In the absence of more exact terms regarding acreage, ownership, and use, it could be argued that the proposed exemption could apply to a wide array of property types and acreage that have only a tenuous connection to snowmobiling. To avoid the potential for the exemption to be unduly broadened, the proposal may be amended to apply to the buildings and improvements, and the land necessary for their location and convenience, which are owned and exclusively used by a non-profit snowmobile club.

The exemption would apply to snowmobile clubs exempt from taxation under section 501 (c) (3) of the Internal Revenue Code. Section (3) generally applies to non-profit organizations operated exclusively for religious, charitable, scientific, public safety testing, literary, or educational purposes; to foster national or international amateur sports competition, or for the prevention of cruelty to animals. Many snowmobile clubs may not qualify for exemption under this section. However, most of these clubs may be exempt from taxation under section 501 (c) (7) of the Internal Revenue Code, which applies to non-profit clubs organized for pleasure, recreation, and other non-profitable purposes.

This bill first applies to January 1, 2009 assessments. The proposed exemption, however, comes too late in the process to be accurately reflected on the 2009 assessment rolls. To avoid conflicts with existing 2009 assessments, DOR recommends that the proposal be effective for property tax assessments as of January 1, 2010.

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

cc: Representative Andy Jorgensen