

2011 DRAFTING REQUEST

Bill

Received: **01/13/2011**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Van Wanggaard (608) 266-1832**

By/Representing: **scott**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Property - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Wanggaard@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Property tax credit for business expansion

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 01/25/2011	jdyer 02/12/2011	rschluet 02/14/2011	_____	cduerst 02/14/2011		S&L
/1	jkreye 03/02/2011	nmatzke 03/02/2011	jfrantze 03/02/2011	_____	lparisi 03/02/2011	lparisi 03/02/2011	S&L
/2	jkreye 03/17/2011	jdyer 03/17/2011	rschluet 03/17/2011	_____	sbasford 03/17/2011	sbasford 03/17/2011	S&L

FE Sent For:

At Introduction

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/P1	jkreye 01/25/2011	jdyer 02/12/2011	rschluet 02/14/2011	_____	cduerst 02/14/2011		S&L
/1	jkreye 03/02/2011	nmatzke 03/02/2011	jfrantze 03/02/2011	_____	lparisi 03/02/2011	lparisi 03/02/2011	S&L

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Handwritten notes: 2/3/17 jld, 3/17, <END>

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/P1	jkreye 01/25/2011	jdyer 02/12/2011	rschluet 02/14/2011	_____	cduerst 02/14/2011		S&L

FE Sent For:

1 NWN
3/2
6 5/2

<END>

Please
jacket
slask 1
joe

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/P1	jkreye	1/12 jld		_____	_____	_____	_____

FE Sent For:

<END>

1-13-11

Scott - Sen Wargason

→ expanding the physical part of the business

▷ credit against property tax

real property
&
improvements

also for personal property

on the bill or a ^{property tax credit} credit

^{new} 10% employees to qualify

(above what they had 3 months prior)



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1031/P1

JK:.....

TUES - if possible

JLD

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

m 1-25-11

D-N

X

Gen

1 AN ACT ...; relating to: a property tax credit for business expansion and making
2 an appropriation. ✓

Analysis by the Legislative Reference Bureau

This bill creates a property tax credit for business expansion within a municipality. ✓ The credit is equal to the amount determined by multiplying the school tax rate by the estimated fair market value of improvements to real property and acquisitions of personal property made by owners of commercial or manufacturing property. The credit only applies to improvements and acquisitions that are made as part of a business expanding in the municipality and the business employs at least 10 more employees than it did 3 months prior to applying for the credit. ✓

ten 9 10 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:

3 SECTION 1. 20.835 (3) (bg) of the statutes is created to read:
4 20.835 (3) (bg) *Business expansion credit.* ✓ A sum sufficient to make the
5 payments under s. 79.10 (5g). ✓

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

1 74.09 (3) (b) 6g. The amount of the credit under s. 79.10 (5g) allocable to the
2 property for the previous year and the current year, and the percentage change
3 between those years.

4 **SECTION 3.** 79.10 (1m) (b) of the statutes is amended to read:

5 79.10 (1m) (b) Counties and municipalities shall submit to the department of
6 revenue all data related to the lottery and gaming credit, the business expansion
7 credit, and the first dollar credit as requested by the department of revenue.

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. 229 (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; 2007 a. 20, 190; 2009 a. 28, 180.

8 **SECTION 4.** 79.10 (2) (c) of the statutes is created to read:

9 79.10 (2) (c) On or before December 1 of the year preceding the distribution
10 under sub. (7m) (cg) or (cm), the department of revenue shall notify the clerk of each
11 town, village, and city of the estimated fair market value used to calculate the
12 business expansion credit under sub. (5g) and of the amount to be distributed to it
13 under sub. (7m) (cg) or (cm). The anticipated receipt of such distribution shall not
14 be taken into consideration in determining the tax rate of the municipality but shall
15 be applied as tax credits.

16 **SECTION 5.** 79.10 (5g) of the statutes is created to read:

17 79.10 (5g) BUSINESS EXPANSION CREDIT. Each municipality shall receive, from
18 the appropriation under s. 20.835 (3) (bg), an amount determined by multiplying the
19 school tax rate by the estimated fair market value of improvements to real property
20 and acquisitions of personal property made by owners of real property classified as
21 commercial property under s. 70.32 (2) (a) 1. or manufacturing property under s.
22 70.32 (2) (a) 3. during the year for which a credit is claimed, if the improvements and
23 acquisitions are made as part of a business expanding in the municipality and the

1 business employs at least 10[✓] more employees than it did 3[✓] months prior to applying
 2 for the credit under ~~this~~^{the} sub. (12).[✓]

3 **SECTION 6.** 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), (5), (5g)[✓] 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), (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), (5), (5g)[✓] 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), (5), (5g)[✓] 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.

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. 3[✓]; 2005 a. 399; 2007 a. 20, 190; 2009 a. 28, 180.

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

19 79.10 (7m) (cg) *Business expansion credit*.[✓] 1. Except as provided in par. (cm),[✓]
 20 the amount determined under sub. (5g)[✓] shall be distributed from the appropriation
 21 under s. 20.835 (3) (bg)[✓] by the department of administration to the counties on the
 22 4th Monday in July.[✓]

23 2. Except as provided in par. (cm),[✓] the county treasurer shall settle for the
 24 amounts distributed on the 4th Monday in July[✓] under this[✓] paragraph with each

1 municipality and taxing jurisdiction in the county not later than August 20. Failure
2 to settle timely under this subdivision[✓] subjects the county treasurer to the penalties
3 under s. 74.31.[✓]

4 **SECTION 8.** 79.10 (7m) (cm) 1. a.[✓] of the statutes is amended to read:

5 79.10 (7m) (cm) 1. a. If, in any year, the total of the amounts determined under
6 subs. (4), (5), (5g)[✓], and (5m) for any municipality is \$3,000,000 or more, the
7 municipality, with the approval of the majority of the members of the municipality's
8 governing body, may notify the department of administration to distribute the
9 amounts directly to the municipality and the department of administration shall
10 distribute the amounts at the time and in the manner provided under pars. (a) 1., (b)
11 1., and (c) 1.

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; 2007 a. 20, 190; 2009 a. 28, 180.

12 **SECTION 9.** 79.10 (7m) (cm) 2. a. of the statutes is amended to read:

13 79.10 (7m) (cm) 2. a. The department of administration shall distribute the
14 amounts determined under subs. (4), (5), (5g)[✓], and (5m) directly to any municipality
15 that enacts an ordinance under s. 74.12 at the time and in the manner provided
16 under pars. (a) 1., (b) 1., and (c) 1.

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; 2007 a. 20, 190; 2009 a. 28, 180.

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

18 79.10 (9) (bg) *Business expansion credit.*[✓] Except as provided ss. 79.175 and
19 79.18,[✓] a business expansion credit shall be allocated to every parcel of property or
20 personal property account described under sub. (5g)[✓] equal to the estimated fair
21 market value of such property described under sub. (5g)[✓] multiplied by the school tax
22 rate.

23 **SECTION 11.** 79.10 (9) (c) 4.[✓] of the statutes is created to read:

1 79.10 (9) (c) 4. The credit under par. (bg) shall reduce the property taxes
2 otherwise payable.

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

4 79.10 (12) CLAIMING THE BUSINESS EXPANSION CREDIT. Beginning with the
5 property taxes levied in 2011, a person who owns property described under sub. (5g)
6 may claim the credit under sub. (5g) by applying for the credit on a form prescribed
7 by the department of revenue. The claimant shall file the application for the credit
8 with the treasurer of the county in which the property is located or, if the property
9 is located in a city which collects taxes under s. 74.87, the treasurer of the city in
10 which the property is located. Subject to review by the department of revenue, a
11 treasurer who receives a completed application shall direct that the property
12 described in the application be identified on the next tax roll as property for which
13 the owner is entitled to receive a business expansion credit under sub. (9) (bg).

14 (END)

D-note
↓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1031/P1dn

JK:.....

date

Jld

Representative Wanggaard: ✓

Please review this draft carefully to ensure that it is consistent with your intent.

Also, please be aware that the business expansion credit, as created in the bill, could be challenged as a violation of the uniformity clause of article VIII, section 1, of the Wisconsin Constitution. The uniformity clause requires that the taxation of real property be uniform.

The Wisconsin Supreme Court has held that reducing the taxes on some property but not exempting the property is a partial exemption that violates the uniformity clause. See *State ex rel. La Follette v. Torphy*, 85 Wis. 2d 94, 105-108 (1978) and *Gottlieb v. Milwaukee*, 33 Wis. 2d 408, 427-428 (1859). A court could find that the business expansion credit created in the bill creates a partial exemption because it disproportionately reduces the tax liability of business owners based only the increased value resulting from new improvements and personal property acquisitions. The uniformity problem is further exacerbated by the fact that persons who own similar property, but who have no new improvements or acquisitions, will not receive the credit.

Please also note that, although the lottery and gaming credit provides tax relief only to homeowners, revenue from the lottery fund is not subject to the uniformity clause, but revenue from the general fund is. Therefore, using general fund revenue to pay for a portion of a tax credit that is provided only to some business property owners may also violate the uniformity clause. A similar issue arose with adoption of the first dollar credit under s. 79.10 (5m), which originally was to apply only to principal residences, but which was amended to apply to all improvements in order to avoid uniformity clause issues.

Although I am not certain how a court would rule on a constitutional challenge to the bill, should it become law, you should be aware of possible challenges to the bill. Please contact me if you have any questions.

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1031/P1dn

JK:jld:rs

February 14, 2011

Representative Wanggaard:

Please review this draft carefully to ensure that it is consistent with your intent.

Also, please be aware that the business expansion credit, as created in the bill, could be challenged as a violation of the uniformity clause of article VIII, section 1, of the Wisconsin Constitution. The uniformity clause requires that the taxation of real property be uniform.

The Wisconsin Supreme Court has held that reducing the taxes on some property but not exempting the property is a partial exemption that violates the uniformity clause. See *State ex rel. La Follette v. Torphy*, 85 Wis. 2d 94, 105-108 (1978) and *Gottlieb v. Milwaukee*, 33 Wis. 2d 408, 427-428 (1859). A court could find that the business expansion credit created in the bill creates a partial exemption because it disproportionately reduces the tax liability of business owners based only the increased value resulting from new improvements and personal property acquisitions. The uniformity problem is further exacerbated by the fact that persons who own similar property, but who have no new improvements or acquisitions, will not receive the credit.

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stays — RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in wed 3-2

Today

Regen.

1 AN ACT *to amend* 79.10 (1m) (b), 79.10 (6m) (a), 79.10 (7m) (cm) 1. a. and 79.10
 2 (7m) (cm) 2. a.; and *to create* 20.835 (3) (bg), 74.09 (3) (b) 6g., 79.10 (2) (c), 79.10
 3 (5g), 79.10 (7m) (cg), 79.10 (9) (bg), 79.10 (9) (c) 4. and 79.10 (12) of the statutes;
 4 **relating to:** a property tax credit for business expansion and making an
 5 appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a property tax credit for business expansion within a municipality. The credit is equal to the amount determined by multiplying the school tax rate by the estimated fair market value of improvements to real property and acquisitions of personal property made by owners of commercial or manufacturing property. The credit only applies to improvements and acquisitions that are made as part of a business expanding in the municipality and the business employs at least ten more employees than it did three months prior to applying for the credit.

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:

6 SECTION 1. 20.835 (3) (bg) of the statutes is created to read:

1 20.835 (3) (bg) *Business expansion credit*. A sum sufficient to make the
2 payments under s. 79.10 (5g).

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

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

7 **SECTION 3.** 79.10 (1m) (b) of the statutes is amended to read:

8 79.10 (1m) (b) Counties and municipalities shall submit to the department of
9 revenue all data related to the lottery and gaming credit, the business expansion
10 credit, and the first dollar credit as requested by the department of revenue.

11 **SECTION 4.** 79.10 (2) (c) of the statutes is created to read:

12 79.10 (2) (c) On or before December 1 of the year preceding the distribution
13 under sub. (7m) (cg) or (cm), the department of revenue shall notify the clerk of each
14 town, village, and city of the estimated fair market value used to calculate the
15 business expansion credit under sub. (5g) and of the amount to be distributed to it
16 under sub. (7m) (cg) or (cm). The anticipated receipt of such distribution shall not
17 be taken into consideration in determining the tax rate of the municipality but shall
18 be applied as tax credits.

19 **SECTION 5.** 79.10 (5g) of the statutes is created to read:

20 79.10 (5g) BUSINESS EXPANSION CREDIT. Each municipality shall receive, from
21 the appropriation under s. 20.835 (3) (bg), an amount determined by multiplying the
22 school tax rate by the estimated fair market value of improvements to real property
23 and acquisitions of personal property made by owners of real property classified as
24 commercial property under s. 70.32 (2) (a) 2. or manufacturing property under s.
25 70.32 (2) (a) 3. during the year for which a credit is claimed, if the improvements and

1 acquisitions are made as part of a business expanding in the municipality and the
2 business employs at least 10 more employees than it did 3 months prior to applying
3 for the credit under sub. (12).

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

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

19 **SECTION 7.** 79.10 (7m) (cg) of the statutes is created to read:

20 79.10 (7m) (cg) *Business expansion credit.* 1. Except as provided in par. (cm),
21 the amount determined under sub. (5g) shall be distributed from the appropriation
22 under s. 20.835 (3) (bg) by the department of administration to the counties on the
23 4th Monday in July.

24 2. Except as provided in par. (cm), the county treasurer shall settle for the
25 amounts distributed on the 4th Monday in July under this paragraph with each

1 municipality and taxing jurisdiction in the county not later than August 20. Failure
2 to settle timely under this subdivision subjects the county treasurer to the penalties
3 under s. 74.31.

4 **SECTION 8.** 79.10 (7m) (cm) 1. a. of the statutes is amended to read:

5 79.10 (7m) (cm) 1. a. If, in any year, the total of the amounts determined under
6 subs. (4), (5), ~~(5g)~~, and (5m) for any municipality is \$3,000,000 or more, the
7 municipality, with the approval of the majority of the members of the municipality's
8 governing body, may notify the department of administration to distribute the
9 amounts directly to the municipality and the department of administration shall
10 distribute the amounts at the time and in the manner provided under pars. (a) 1., (b)
11 1., and (c) 1.

12 **SECTION 9.** 79.10 (7m) (cm) 2. a. of the statutes is amended to read:

13 79.10 (7m) (cm) 2. a. The department of administration shall distribute the
14 amounts determined under subs. (4), (5), ~~(5g)~~, and (5m) directly to any municipality
15 that enacts an ordinance under s. 74.12 at the time and in the manner provided
16 under pars. (a) 1., (b) 1., and (c) 1.

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

18 79.10 (9) (bg) *Business expansion credit.* Except as provided ss. 79.175 and
19 79.18, a business expansion credit shall be allocated to every parcel of property or
20 personal property account described under sub. (5g) equal to the estimated fair
21 market value of such property described under sub. (5g) multiplied by the school tax
22 rate.

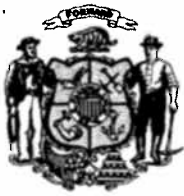
23 **SECTION 11.** 79.10 (9) (c) 4. of the statutes is created to read:

24 79.10 (9) (c) 4. The credit under par. (bg) shall reduce the property taxes
25 otherwise payable.

1 **SECTION 12.** 79.10 (12) of the statutes is created to read:

2 **79.10 (12) CLAIMING THE BUSINESS EXPANSION CREDIT.** Beginning with the
3 property taxes levied in 2011, a person who owns property described under sub. (5g)
4 may claim the credit under sub. (5g) by applying for the credit on a form prescribed
5 by the department of revenue. The claimant shall file the application for the credit
6 with the treasurer of the county in which the property is located or, if the property
7 is located in a city that collects taxes under s. 74.87, the treasurer of the city in which
8 the property is located. Subject to review by the department of revenue, a treasurer
9 who receives a completed application shall direct that the property described in the
10 application be identified on the next tax roll as property for which the owner is
11 entitled to receive a business expansion credit under sub. (9) (bg).

12 **(END)**



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1031/1
JK:jld:jf

2

RMR

2011 BILL

m 3-17-11
Today

Regen

1 AN ACT to amend 79.10 (1m) (b), 79.10 (6m) (a), 79.10 (7m) (cm) 1. a. and 79.10
2 (7m) (cm) 2. a.; and to create 20.835 (3) (bg), 74.09 (3) (b) 6g., 79.10 (2) (c), 79.10
3 (5g), 79.10 (7m) (cg), 79.10 (9) (bg), 79.10 (9) (c) 4. and 79.10 (12) of the statutes;
4 relating to: a property tax credit for business expansion and making an
5 appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a property tax credit for business expansion within a municipality. The credit is equal to the amount determined by multiplying the school tax rate by the estimated fair market value of improvements to real property and acquisitions of personal property made by owners of commercial or manufacturing property. The credit only applies to improvements and acquisitions that are made as part of a business expanding in the municipality and the business employs at least ten more employees than it did three months prior to applying for the credit.

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:

6 SECTION 1. 20.835 (3) (bg) of the statutes is created to read:

No
the credit may
be claimed for
two years

BILL

1 20.835 (3) (bg) *Business expansion credit*. A sum sufficient to make the
2 payments under s. 79.10 (5g).

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

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

7 **SECTION 3.** 79.10 (1m) (b) of the statutes is amended to read:

8 79.10 (1m) (b) Counties and municipalities shall submit to the department of
9 revenue all data related to the lottery and gaming credit, the business expansion
10 credit, and the first dollar credit as requested by the department of revenue.

11 **SECTION 4.** 79.10 (2) (c) of the statutes is created to read:

12 79.10 (2) (c) On or before December 1 of the year preceding the distribution
13 under sub. (7m) (cg) or (cm), the department of revenue shall notify the clerk of each
14 town, village, and city of the estimated fair market value used to calculate the
15 business expansion credit under sub. (5g) and of the amount to be distributed to it
16 under sub. (7m) (cg) or (cm). The anticipated receipt of such distribution shall not
17 be taken into consideration in determining the tax rate of the municipality but shall
18 be applied as tax credits.

19 **SECTION 5.** 79.10 (5g) of the statutes is created to read:

20 79.10 (5g) BUSINESS EXPANSION CREDIT. Each municipality shall receive, from
21 the appropriation under s. 20.835 (3) (bg), an amount determined by multiplying the
22 school tax rate by the estimated fair market value of improvements to real property
23 and acquisitions of personal property made by owners of real property classified as
24 commercial property under s. 70.32 (2) (a) 2. or manufacturing property under s.
25 70.32 (2) (a) 3. during the year for which a credit is claimed, if the improvements and

BILL

1 acquisitions are made as part of a business expanding in the municipality and the
2 business employs at least 10 more employees than it did 3 months prior to applying
3 for the credit under sub. (12).

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

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

19 **SECTION 7.** 79.10 (7m) (cg) of the statutes is created to read:

20 79.10 (7m) (cg) *Business expansion credit.* 1. Except as provided in par. (cm),
21 the amount determined under sub. (5g) shall be distributed from the appropriation
22 under s. 20.835 (3) (bg) by the department of administration to the counties on the
23 4th Monday in July.

24 2. Except as provided in par. (cm), the county treasurer shall settle for the
25 amounts distributed on the 4th Monday in July under this paragraph with each

BILL

1 municipality and taxing jurisdiction in the county not later than August 20. Failure
2 to settle timely under this subdivision subjects the county treasurer to the penalties
3 under s. 74.31.

4 **SECTION 8.** 79.10 (7m) (cm) 1. a. of the statutes is amended to read:

5 79.10 (7m) (cm) 1. a. If, in any year, the total of the amounts determined under
6 subs. (4), (5), ~~(5g)~~, and (5m) for any municipality is \$3,000,000 or more, the
7 municipality, with the approval of the majority of the members of the municipality's
8 governing body, may notify the department of administration to distribute the
9 amounts directly to the municipality and the department of administration shall
10 distribute the amounts at the time and in the manner provided under pars. (a) 1., (b)
11 1., and (c) 1.

12 **SECTION 9.** 79.10 (7m) (cm) 2. a. of the statutes is amended to read:

13 79.10 (7m) (cm) 2. a. The department of administration shall distribute the
14 amounts determined under subs. (4), (5), ~~(5g)~~, and (5m) directly to any municipality
15 that enacts an ordinance under s. 74.12 at the time and in the manner provided
16 under pars. (a) 1., (b) 1., and (c) 1.

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

18 79.10 (9) (bg) *Business expansion credit.* Except as provided ss. 79.175 and
19 79.18, a business expansion credit shall be allocated to every parcel of property or
20 personal property account described under sub. (5g) equal to the estimated fair
21 market value of such property described under sub. (5g) multiplied by the school tax
22 rate.

23 **SECTION 11.** 79.10 (9) (c) 4. of the statutes is created to read:

24 79.10 (9) (c) 4. The credit under par. (bg) shall reduce the property taxes
25 otherwise payable.

BILL

1 **SECTION 12.** 79.10 (12) of the statutes is created to read:

2 **79.10 (12) CLAIMING THE BUSINESS EXPANSION CREDIT.** Beginning with the
3 property taxes levied in 2011, a person who owns property described under sub. (5g)
4 may claim the credit under sub. (5g) by applying for the credit on a form prescribed
5 by the department of revenue. The claimant shall file the application for the credit
6 with the treasurer of the county in which the property is located or, if the property
7 is located in a city that collects taxes under s. 74.87, the treasurer of the city in which
8 the property is located. Subject to review by the department of revenue, a treasurer
9 who receives a completed application shall direct that the property described in the
10 application be identified on the next ⁽²⁾ tax ^{roll} ^(rolls) as property for which the owner is
11 entitled to receive a business expansion credit under sub. (9) (bg).
12

(END)

NO = a claim made under this subsection is valid for 2 years and may not be renewed.