



# 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

May 31, 2011

## MEMORANDUM

**To:** Senator Wanggaard

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

**Subject:** Technical Memorandum to **2011 SB 60** (LRB-1031/2) 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**

May 20, 2011

**TO:** Joseph T, Kreye  
Legislative Reference Bureau

**FROM:** Paul Ziegler  
Department of Revenue

**SUBJECT:** Technical Memorandum on 2011 SB 60 Regarding a Property Tax Credit for Business Expansion and Creating an Appropriation

The Department of Revenue has the following concerns regarding the bill:

- (1) On Page 6, Line 10, a cross-reference to subs. (5g) should be added.
- (2) County treasurers and the Department will need time to process credit applications and to make sure that the credit appears on the current year's tax bills. We therefore suggest that an application deadline of October 1 be added in Section 12 of the bill. Any applications filed after that date would initially be reflected on the following year's property tax bill.
- (3) If property subject to the credit is sold, does the credit transfer to the new owner?
- (4) If the business ceases operation, does the property remain eligible for the credit?
- (5) If the business reduces operations such that it no longer employs the required number of additional staff, does the property remain eligible for the credit?
- (6) Can seasonal employees be included for purposes of qualifying for the credit?
- (7) It is possible that a court may find that the credit may conflict with the uniformity clause of the Wisconsin Constitution since it does not apply uniformly across all commercial and industrial property. For example, in *Gottlieb v. Milwaukee*, the Wisconsin Supreme Court held that an assessment freeze for certain property involved in urban renewal violated the uniformity clause.

The Department will incur costs to establish procedures and processes regarding the new credit. In addition, the Department will incur on-going costs related to auditing credit claims so that false or incorrect claims can be recovered. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<b>Chapter 20</b>	<b>Amount</b>	<b>FTE</b>
One-time	20.566 (2) (a)	\$ 31,700	
Annual	20.566 (2) (a)	\$ 26.500	

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

cc: Senator Van H. Wanggaard