



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2011 Wisconsin Act 142
[2011 Senate Bill 465]

**Definition of Municipality for
Purposes of Tax Refund Setoffs**

Under s. 71.935, Stats., municipalities and counties may certify to the Department of Revenue (DOR) debts owed to the municipality or county. Under the law, “debt” means debts of at least \$20, including debts related to property taxes and unpaid parking citations, or other unpaid fines, fees, restitution, or forfeitures, as long as the debt has been reduced to a judgment or the municipality or county to which the debt is owed has provided the debtor reasonable notice and an opportunity to be heard with regard to the debt.

Generally, once certified to DOR, a debt may be collected by setoff against any state income tax refund due to the debtor.

2011 Wisconsin Act 142 modifies the definition of “municipality” for purposes of s. 71.935, Stats., by revising the definition as it applies to entities that are not cities, villages, or towns. Under the Act, a municipality includes any entity formed pursuant to an intergovernmental cooperation contract or agreement under s. 66.0301 to provide consolidated services directly to cities, villages, and towns.

Effective date: April 5, 2012.

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March 28, 2012

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.