

**2015 DRAFTING REQUEST**

**Senate Amendment (SA-SB432)**

Received: 12/15/2015 Received By: jkreye  
For: Frank Lasee (608) 266-3512 Same as LRB: a1335  
May Contact: By/Representing: adam  
Subject: Tax, Business - utilities Drafter: jkreye  
Addl. Drafters:  
Extra Copies:

Submit via email: YES  
Requester's email: Sen.Lasee@legis.wisconsin.gov  
Carbon copy (CC) to: mark.kunkel@legis.wisconsin.gov

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Imposing a water utility tax

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 12/15/2015	kfollett 12/15/2015	_____	sbasford 12/15/2015	sbasford 12/15/2015	

FE Sent For:

<END>

## Kreye, Joseph

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**From:** Rostan, Jason  
**Sent:** Tuesday, December 15, 2015 9:45 AM  
**To:** Kreye, Joseph  
**Cc:** Gibbs, Adam  
**Subject:** FW: LRB 15a1335 Topic: Imposing a water utility tax

Hi Joe,

Just talked with the Senate author of AB 554 and they would like an identical amendment drafted for the senate companion, SB 432.

Thanks.

Jason Rostan  
Rep. August's Office

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**From:** LRB.Legal  
**Sent:** Friday, December 11, 2015 2:04 PM  
**To:** Rep.August <[Rep.August@legis.wisconsin.gov](mailto:Rep.August@legis.wisconsin.gov)>  
**Subject:** LRB 15a1335 Topic: Imposing a water utility tax

The attached proposal has been jacketed for introduction.

A copy has also been sent to: [joseph.kreye@legis.wisconsin.gov](mailto:joseph.kreye@legis.wisconsin.gov)



15a1335\_1.pdf



State of Wisconsin  
2015 - 2016 LEGISLATURE

a/350/1  
LRBa1335/1  
JK:kjf

SENATE  
ASSEMBLY AMENDMENT,  
TO ASSEMBLY BILL 554

432

SENATE

Today 12-15-15

1 At the locations indicated, amend the bill as follows:

2 1. Page 1, line 4: after "companies" insert ", imposing a tax on water utilities,".

3 2. Page 1, line 5: delete "to investor-owned public utilities".

4 3. Page 4, line 3: delete "to an investor-owned public utility".

5 4. Page 4, line 19: after that line insert:

6 "SECTION 3b. 70.112 (4) (a) of the statutes is amended to read:

7 70.112 (4) (a) All special property assessed under ss. 76.01 to 76.26 and  
8 property of any light, heat, and power company taxed under s. 76.28, water utility  
9 taxed under s. 76.95, car line company, and electric cooperative association that is  
10 used and useful in the operation of the business of such company or association. If  
11 a general structure for which an exemption is sought under this section is used and  
12 useful in part in the operation of any public utility assessed under ss. 76.01 to 76.26  
13 or of the business of any light, heat, and power company taxed under s. 76.28, water

1 utility taxed under s. 76.95, car line company, or electric cooperative association and  
2 in part for nonoperating purposes of the public utility or company or association, that  
3 general structure shall be assessed for taxation under this chapter at the percentage  
4 of its full market value that fairly measures and represents the extent of its use for  
5 nonoperating purposes. Nothing provided in this paragraph shall exclude any real  
6 estate or any property which is separately accounted for under s. 196.59 from special  
7 assessments for local improvements under s. 66.0705.

8 **SECTION 3d.** 76.28 (1) (e) (intro.) of the statutes is amended to read:

9 76.28 (1) (e) (intro.) “Light, heat and power companies” means any person,  
10 association, company, or corporation, including corporations described in s. 66.0813,  
11 qualified wholesale electric companies, and transmission companies and except only  
12 business enterprises carried on exclusively either for the private use of the person,  
13 association, company, or corporation engaged in them, or for the private use of a  
14 person, association, company, or corporation owning a majority of all outstanding  
15 capital stock or who control the operation of business enterprises and except electric  
16 cooperatives taxed under s. 76.48 and water utilities taxed under s. 76.95 that  
17 engage in any of the following businesses:

18 **SECTION 3f.** Subchapter VI (title) of chapter 76 [precedes 76.94] of the statutes  
19 is created to read:

## 20 **CHAPTER 76**

### 21 **WATER UTILITY TAX**

22 **SECTION 3g.** 76.94 of the statutes is created to read:

23 **76.94 Definitions.** In this subchapter:

24 (1) “Assessment ratio” means the decimal fraction rounded to the nearest ten  
25 thousandth obtained by dividing the assessed value of all taxable nonmanufacturing

1 property, as specified in the clerk's statement of assessment file with the department  
2 of revenue, by the value of all taxable nonmanufacturing property in the taxation  
3 district as determined by the department of revenue prior to adjustments under s.  
4 70.57.

5 (2) "Gross book value for the calendar year" means the gross book value as of  
6 January 1 of the calendar year.

7 (3) "Municipality" means a city, village, or town.

8 (4) "Water utility" means a public utility, as defined under s. 196.01 (5), not  
9 including a municipal public utility as defined under s. 66.0801 (1) (a), that produces,  
10 delivers, or furnishes water either directly or indirectly to or for the public and that  
11 is authorized to render service under s. 196.49 (1) (am) after the effective date of this  
12 subsection .... [LRB inserts date].

13 (5) "Local and school tax rates for the calendar year" means the local and school  
14 tax rates determined by the taxing jurisdictions of the taxation district where the  
15 utility is located for the same calendar year.

16 **SECTION 3h.** 76.95 of the statutes is created to read:

17 **76.95 Imposition.** There is imposed on each water utility an annual tax which  
18 shall be levied and collected no later than May 1 by the municipality in which the  
19 water utility is located in an amount determined by applying the local and school tax  
20 rates for the calendar year to the water utility's gross book value for the calendar  
21 year, plus the value of the utility's materials and supplies multiplied by the  
22 assessment ratio for the taxation district where the utility is located.

23 **SECTION 3i.** 76.96 of the statutes is created to read:

24 **76.96 Reduced tax.** A municipality may levy and collect a tax imposed under  
25 s. 76.95 in an amount less than the amount determined under s. 76.95.

1           **SECTION 3j.** 76.97 of the statutes is created to read:

2           **76.97 Increased tax.** A municipality may levy and collect a tax imposed under  
3 s. 76.95 in an amount greater than the amount determined under s. 76.95 only with  
4 the approval of the public service commission.

5           **SECTION 3k.** 76.98 of the statutes is created to read:

6           **76.98 Excluded property.** A municipality shall exclude from the calculation  
7 of the tax imposed under s. 76.95 the value of any water utility property that is  
8 outside the boundaries of the municipality.

9           **SECTION 3L.** 76.99 of the statutes is created to read:

10          **76.99 Administration.** A municipality that levies and collects the tax  
11 imposed under s. 76.95 shall provide notice on or before April 1 of each year to each  
12 water utility located in the municipality that is subject to the tax of the amount of  
13 the tax owed.”.

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(END)