

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-2533/1</b>	<b>Introduction Number</b> <b>SB-279</b>	
<b>Description</b> Real estate transfer fee returns for conveyances exempt from the fee		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs                  3. <input type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs                  4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b> DOR/ Yuko Iwata (608) 267-9892	<b>Authorized Signature</b> Robert Schmidt (608) 266-5773	<b>Date</b> 10/5/2015

## Fiscal Estimate Narratives

DOR 10/5/2015

LRB Number	15-2533/1	Introduction Number	SB-279	Estimate Type	Original
<b>Description</b> Real estate transfer fee returns for conveyances exempt from the fee					

### Assumptions Used in Arriving at Fiscal Estimate

Under the bill, when a person who conveys real property to another and the conveyance is exempt from the real estate transfer fee under sec. 77.25 (2), (2r), (4) or (11), the person must file a real estate transfer return. Specifically, the bill would require a return when the property is: 1) conveyed from the United States, the state of Wisconsin, or any agency/subdivision of either [sec. 77.25(2)]; 2) conveyed to the United States, the state or Wisconsin, or any agency/subdivision of either, for the purpose of road/street/highway construction [sec. 77.25(2r)]; 3) sold to pay delinquent taxes [sec. 77.25(4)]; or 4) conveyed by will, descent, or survivorship [sec. 77.25(11)].

Currently, no return is required when the conveyance is exempt from the fee under 77.25 (2r), (4) or (11), or under 77.25 (2) except when the transferor is also a lender for the transaction. In effect, the bill would require real estate transfer returns for any conveyance made on or after October 1, 1969.

In total, 192,430 and 193,395 real estate transfer returns were filed in 2013 and 2014, respectively. In 2015, 135,882 real estate transfer returns were filed as of the end of August. Below shows the number of returns filed that were exempt from the real estate transfer fees under sec. 77.25 (2), (2r), (4) or (11):

2013:

Under sec. 77.25 (2) 1,722 returns  
Under sec. 77.25 (2r) 28 returns  
Under sec. 77.25 (4) 18 returns  
Under sec. 77.25 (11) 1,223 returns

2014:

Under sec. 77.25 (2) 1,257 returns  
Under sec. 77.25 (2r) 22 returns  
Under sec. 77.25 (4) 7 returns  
Under sec. 77.25 (11) 1,467 returns

2015 (Jan. - Aug.):

Under sec. 77.25 (2) 831 returns  
Under sec. 77.25 (2r) 11 returns  
Under sec. 77.25 (4) 9 returns  
Under sec. 77.25 (11) 1,083 returns

The numbers may reflect only a fraction of property conveyances that would be subject to the bill, since current law does not require transferors to file real estate transfer returns when the conveyances are exempt from the fee for reasons listed above. DOR does not have sufficient information to reasonably estimate the increase in the number of returns under the bill.

The bill may increase administrative costs to local governments for the additional number of returns, but the cost increase is expected to be minimal. The bill may increase the administrative costs for DOR to process additional filings. However, the administrative costs can be absorbed within the current budgetary resources.

### Long-Range Fiscal Implications