

2019 DRAFTING REQUEST

Bill

For: **Don Vruwink (608) 266-3790** Drafter: **jkreye**
 By: **ryan** Secondary Drafters:
 Date: **8/13/2019** May Contact:
 Same as LRB: **-4271**

Submit via email: **YES**
 Requester's email: **Rep.Vruwink@legis.wisconsin.gov**
 Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Real estate transfer fee exemption for a transfer involving related persons

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 8/21/2019	aernstr 8/22/2019	dwalker 8/15/2019		State S&L
/P2			dwalker 8/22/2019		State S&L
/1			dwalker 8/26/2019	mbarman 9/17/2019	State S&L

FE Sent For: **<END>**

*at
intro*

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Ryan — Office of Rep. Vukowich

clarify that real estate transfer fee exemptions
for transfer involving related persons
apply to uncles, aunts, first cousins
modify 77.25(15), (15m), and (15s)



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in used 8-14

due thru 8-15

sa ✓

gen

1 AN ACT ...; relating to: the real estate transfer fee exemptions for conveyances
2 to related individuals.

Analysis by the Legislative Reference Bureau

Current law, generally, requires a person who conveys an interest in real property to file a real estate transfer return with the county register of deeds and pay a real estate transfer fee equal to 30 cents for each \$100 of the value of the conveyance. Current law provides certain exemptions from paying the fee, including exemptions for conveyances between an entity and the members of the entity who are related to each other as spouses, lineal ascendants, lineal descendants, or siblings. ✓

This bill modifies current law so that the exemptions for conveyances between entities and related members ^{e apply} applies to conveyances to members who are related as spouses, an uncle and his nieces or nephews, an aunt and her nieces or nephews, first cousins, or siblings. ✓

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

1 ✕ **SECTION 1.** 77.25 (15) of the statutes is amended to read:

2 77.25 (15) Between a corporation and its shareholders if all of the stock is
3 owned by persons who are related to each other as spouses, as ~~lineal ascendants,~~
4 ~~lineal descendants~~ an uncle and his nieces or nephews, an aunt and her nieces or
5 nephews, first cousins, or siblings, whether by blood or by adoption, or as spouses of
6 siblings, if the transfer is for no consideration except the assumption of debt or stock
7 of the corporation and if the corporation owned the property for at least 3 years.

History: 1971 c. 150; 1985 a. 39; 1987 a. 27; 1991 a. 39, 202, 269; 1993 a. 112, 263, 307; 1995 a. 458; 1997 a. 140; 1999 a. 9, 162; 2001 a. 44; 2005 a. 206; 2009 a. 28; 2013 a. 66, 272; 2015 a. 295; 2019 a. 9.

8 ✕ **SECTION 2.** 77.25 (15m) of the statutes is amended to read:

9 77.25 (15m) Between a partnership and one or more of its partners if all of the
10 partners are related to each other as spouses, as ~~lineal ascendants,~~ ~~lineal~~
11 ~~descendants~~ an uncle and his nieces or nephews, an aunt and her nieces or nephews,
12 first cousins, or siblings, whether by blood or by adoption, or as spouses of siblings
13 and if the transfer is for no consideration other than the assumption of debt or an
14 interest in the partnership.

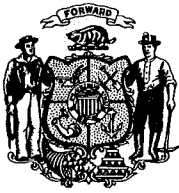
History: 1971 c. 150; 1985 a. 39; 1987 a. 27; 1991 a. 39, 202, 269; 1993 a. 112, 263, 307; 1995 a. 458; 1997 a. 140; 1999 a. 9, 162; 2001 a. 44; 2005 a. 206; 2009 a. 28; 2013 a. 66, 272; 2015 a. 295; 2019 a. 9.

15 ✕ **SECTION 3.** 77.25 (15s) of the statutes is amended to read:

16 77.25 (15s) Between a limited liability company and one or more of its members
17 if all of the members are related to each other as spouses, as ~~lineal ascendants,~~ ~~lineal~~
18 ~~descendants~~ an uncle and his nieces or nephews, an aunt and her nieces or nephews,
19 first cousins, or siblings, whether by blood or by adoption, or as spouses of siblings
20 and if the transfer is for no consideration other than the assumption of debt or an
21 interest in the limited liability company.

History: 1971 c. 150; 1985 a. 39; 1987 a. 27; 1991 a. 39, 202, 269; 1993 a. 112, 263, 307; 1995 a. 458; 1997 a. 140; 1999 a. 9, 162; 2001 a. 44; 2005 a. 206; 2009 a. 28; 2013 a. 66, 272; 2015 a. 295; 2019 a. 9.

22 **SECTION 4. Initial applicability.**



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-3938/P1
JK:ahc

P2

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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- 1 AN ACT to amend 77.25 (15), 77.25 (15m) and 77.25 (15s) of the statutes;
2 relating to: the real estate transfer fee exemptions for conveyances to related
3 individuals.

Analysis by the Legislative Reference Bureau

Current law, generally, requires a person who conveys an interest in real property to file a real estate transfer return with the county register of deeds and pay a real estate transfer fee equal to 30 cents for each \$100 of the value of the conveyance. Current law provides certain exemptions from paying the fee, including exemptions for conveyances between an entity and the members of the entity who are related to each other as spouses, lineal ascendants, lineal descendants, or siblings.

This bill modifies current law so that the exemptions for conveyances between entities and related members ^{also} apply to conveyances to members who are related as spouses, an uncle and his nieces or nephews, an aunt and her nieces or nephews, first cousins, or siblings. ^{or}

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:

- 4 SECTION 1. 77.25 (15) of the statutes is amended to read:

1 77.25 (15) Between a corporation and its shareholders if all of the stock is
2 *plain* owned by persons who are related to each other as spouses, as lineal ascendants, *PLAIN*
3 lineal descendants, an uncle and his nieces or nephews, an aunt and her nieces or
4 nephews, first cousins, or siblings, whether by blood or by adoption, or as spouses of
5 siblings, if the transfer is for no consideration except the assumption of debt or stock
6 of the corporation and if the corporation owned the property for at least 3 years.

7 **SECTION 2.** 77.25 (15m) of the statutes is amended to read:

8 77.25 (15m) Between a partnership and one or more of its partners if all of the *plain*
9 partners are related to each other as spouses, as lineal ascendants, lineal
10 descendants, an uncle and his nieces or nephews, an aunt and her nieces or nephews,
11 first cousins, or siblings, whether by blood or by adoption, or as spouses of siblings
12 and if the transfer is for no consideration other than the assumption of debt or an
13 interest in the partnership.

14 **SECTION 3.** 77.25 (15s) of the statutes is amended to read:

15 *PLAIN* 77.25 (15s) Between a limited liability company and one or more of its members *plain*
16 if all of the members are related to each other as spouses, as lineal ascendants, lineal
17 descendants, an uncle and his nieces or nephews, an aunt and her nieces or nephews,
18 first cousins, or siblings, whether by blood or by adoption, or as spouses of siblings
19 and if the transfer is for no consideration other than the assumption of debt or an
20 interest in the limited liability company.

21 **SECTION 4. Initial applicability.**

22 (1) This act first applies to a real estate transfer return filed on the effective
23 date of this subsection.

24 (END)

Kreye, Joseph

From: Barman, Mike
Sent: Monday, August 26, 2019 1:42 PM
To: Kreye, Joseph
Subject: Re-draft request ... LRB-3938/P2

From: Rep.Vruwink <Rep.Vruwink@legis.wisconsin.gov>
Sent: Monday, August 26, 2019 1:40 PM
To: LRB.Legal <lrblegal@legis.wisconsin.gov>
Subject: RE: Real Estate Transfer Fee LRB -3938/P2

Looks good. Please send to Rep. Vruwink as a /1 so I can get it circulated for co-sponsors.

Kelley Flury
Office of Rep. Don Vruwink

From: LRB.Legal <lrblegal@legis.wisconsin.gov>
Sent: Thursday, August 22, 2019 11:05 AM
To: Rep.Vruwink <Rep.Vruwink@legis.wisconsin.gov>
Subject: Real Estate Transfer Fee LRB -3938/P2

Following is the PDF version of draft LRB -3938/P2.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-3938/P2 1
JK:ahc

no
changes

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

- 1 **AN ACT to amend** 77.25 (15), 77.25 (15m) and 77.25 (15s) of the statutes;
2 **relating to:** the real estate transfer fee exemptions for conveyances to related
3 individuals.

Analysis by the Legislative Reference Bureau

Current law, generally, requires a person who conveys an interest in real property to file a real estate transfer return with the county register of deeds and pay a real estate transfer fee equal to 30 cents for each \$100 of the value of the conveyance. Current law provides certain exemptions from paying the fee, including exemptions for conveyances between an entity and the members of the entity who are related to each other as spouses, lineal ascendants, lineal descendants, or siblings.

This bill modifies current law so that the exemptions for conveyances between entities and related members also apply to conveyances to members who are related as an uncle and his nieces or nephews, an aunt and her nieces or nephews, or first cousins.

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:

- 4 **SECTION 1.** 77.25 (15) of the statutes is amended to read:

Barman, Mike

From: Flury, Kelley
Sent: Tuesday, September 17, 2019 12:10 PM
To: LRB.Legal
Subject: Draft Review: LRB -3938/1

Please Jacket LRB -3938/1 for the ASSEMBLY.