

CR 92-12

RECEIVED

AUG 4 1992
10:15 am
Revisor of Statutes
Bureau

CERTIFICATE

STATE OF WISCONSIN)

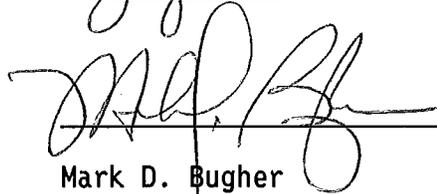
) SS

DEPARTMENT OF REVENUE)

I, Mark D. Bugher, Secretary of the Department of Revenue, and custodian of the official records certify that the annexed rule, relating to the lottery credit was duly approved and adopted by this department on July 27, 1992.

I further certify that this copy has been compared by me with the original on file in this department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 125 South Webster Street in the city of Madison, this 31st day of July, 1992.



Mark D. Bugher
Secretary of Revenue

9-1-92

RECEIVED

AUG 4 1992

ORDER OF THE DEPARTMENT OF REVENUE

Revisor of Statutes
Bureau

The Wisconsin Department of Revenue hereby adopts a rule interpreting ss.66.058(3)(c) and 79.10, Stats., as affected by 1991 Wisconsin Acts 39 and 323.

ANALYSIS PREPARED BY THE DEPARTMENT OF REVENUE

Statutory authority: s. 227.11(2), Stats.

Statutes interpreted: ss.66.058(3)(c) and 79.10, Stats.

Chapter Tax 20 is created to guide administration of the lottery credit for 1991 property taxes payable 1992.

The lottery credit program was enacted by 1991 Wisconsin Act 39. Under the program, owners of a principal dwellings qualify for a credit equal to the school tax on the first \$8,200 of home value. The credit first applies to 1991 taxes payable 1992.

The statutes are silent on several important aspects of how the credit should be administered, ambiguous in other aspects, and contradictory or non-uniform in yet others.

Chapter Tax 20 is created to guide administration of the lottery credit for 1991 property taxes payable 1992. This rule replaces Chapter Tax 20 created by the Department's Emergency Rule promulgated on December 2, 1991.

The rule does the following:

- prescribes certain features of the 1991 tax bill
- describes how lottery credit information is to be entered on tax bills
- defines terms such as "owner" and "principal dwelling"
- describes how the credit is computed
- explains how the credit is claimed
- prescribes certain forms for use in claiming the credit
- explains how local treasurers are reimbursed by the state
- explains the settlement process for credits
- describes the responsibilities of local officials in administering the credit
- describes the procedure for correcting credit errors
- defines the department's audit function

WHO QUALIFIES FOR THE CREDIT?

An owner who uses his or her property as a principal dwelling on January 1, 1992, or at the time the property tax is paid if this occurs prior to January 1, qualifies for the credit. Although the credit is administered through the property tax system, owners of mobile homes subject to the monthly parking fee also qualify for the credit.

HOW IS THE CREDIT CLAIMED?

An owner of a principal dwelling claims the credit by attesting that he or she is the owner of property described on a tax bill and that they use that property as their principal dwelling.

Class A Owners. Owners whose principal dwelling is on a parcel classified as improved residential or agricultural will have the lottery credit amount shown on their tax bill. In the rules, these owners are referred to as Class A owners. Class A owners claim the credit by signing a statement on their tax bill.

Some Class A owners will claim the credit through their mortgage lender. A prescribed form, when signed by the owner, authorizes the lender to claim the credit when the lender pays the tax.

If a Class A owner fails to claim the credit either directly or through a mortgage lender, the owner may claim the credit by means of a LATE CLAIM form.

Class B Owners. Owners whose principal dwelling is not on an improved residential or agricultural parcel are referred to in the rules as Class B owners. Examples include parcels with a store and residence combined and mobile homes taxed as personal property. Tax bills of Class B owners do not show a lottery credit. To claim the credit the owner completes a CLASS B claim form. The treasurer then computes the credit and deducts it from the taxes due.

The CLASS B claim form is also used when more than one credit is claimed for a single parcel, such as a jointly-owned duplex where each dwelling unit is occupied by one of the owners. The number of credit claims for a parcel is limited to the number of dwelling units on that parcel.

When taxes of a Class A or Class B owner are paid in instalments, the total credit is deducted from the first instalment.

Class C Owners. An owner of a mobile home subject to the monthly mobile home Parking permit fee is referred to in the rules as a Class C owner. Class C owners claim the credit by completing a MOBILE HOME PARKING FEE claim form. The treasurer then computes the monthly credit and deducts it from the monthly parking fee.

Class A, Class B, and Class C owners may claim the credit through July 31, 1992.

OWNER DEFINED.

For purposes of claiming the credit, "owner" is defined to include a person named on a deed, that person's spouse, certain holders of a land contract, certain trustees, certain life tenants, mobile home owners, shareholders in a corporate farm, partners in a partnership, and a lawfully authorized agent of an "owner".

PRINCIPAL DWELLING DEFINED.

A "principal dwelling" is defined to mean a place of abode to which, whenever absent, the owner intends to return. For purposes of defining the number of "dwellings" in a structure, a "dwelling" means occupied as separate living quarters. An owner can have but one principal dwelling. If an owner lives part of the year in Wisconsin and part of the year outside of Wisconsin, the owner's Wisconsin residence is the owner's "principal dwelling" if the owner resides in the Wisconsin residence for more than 6 months of the year.

RESPONSIBILITIES OF LOCAL OFFICIALS.

Local and county treasurers have major responsibility for administration of the lottery credit. Credit claims are accepted by the treasurer collecting taxes at the time the credit is claimed. If the claim is signed and timely made, the treasurer allows the claim and enters the amount of the credit on the posted tax roll. If a claim for credit is not signed, the treasurer will not allow the claim, but will attempt to get the owner's signature on the tax bill or a LATE CLAIM form. If a treasurer has reason to question a signed claim, the treasurer is to allow the credit and mark the claim for audit by the department. Every claim for credit must be supported by a signed claim or facsimile, which must be retained until January 1, 1995, for the department's audit.

Claims for credit through January 31, 1992, are billed by the local treasurer to the department by March 1 and paid to the local treasurer by March 23. Credits are settled for by April 15, in the same way general property taxes are settled.

Credits claimed on or before July 31, 1992, that were not included in the March 1 report are billed by the county treasurer to the department by August 14 for payment by September 4.

AUDIT; PENALTIES.

The department will audit claims for the lottery credit. If the department determines that a claim for credit should not have been allowed, the department will collect the credit from the taxpayer. If the department is unable to collect the credit from the taxpayer it will collect the credit as a special charge against the county, which will enter it on the tax roll as a special charge against the property for which the credit was claimed.

SECTION 1. Chapter Tax 20 is created to read:

Chapter TAX 20

LOTTERY CREDIT

- 20.01 Definitions
- 20.02 Computing The Lottery Credit
- 20.03 Property Tax Bills
- 20.04 How to Claim the Credit
- 20.05 Responsibilities of Taxation District and County Treasurer

- 20.06 Payment of Lottery Credits
- 20.07 Settlement for Lottery Credits
- 20.08 Corrections
- 20.09 Audit; Penalties

Tax 20.01. DEFINITIONS. In this chapter:

(1) "Class A owner" means an owner whose principal dwelling is on an improved residential or agricultural parcel.

NOTE: Class A owner does not include an owner whose principal dwelling is on a parcel on which another owner has a principal dwelling.

(2) "Class B owner" means an owner whose principal dwelling is not on an improved residential or agricultural parcel with one dwelling and who is not a class C owner.

NOTE: Class B owner includes, but is not limited to, the following:

An owner of a commercial-residential parcel which includes the owner's primary residence.

An owner whose primary residence is on a parcel on which another owner has a primary residence.

An owner whose primary residence is on a parcel that was unimproved on January 1, 1991.

An owner whose primary residence is taxed as personal property.

(3) "Class C owner" means an owner whose principal dwelling is a mobile home subject to the monthly mobile home parking permit fee under s.66.058(3)(c), Stats.

(4) "Credit" means the lottery credit under s.79.10, Stats.

(5) "Department" means the department of revenue.

(6) "Dwelling" means a structure or that part of a multidwelling or multipurpose structure occupied as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall.

(7) "Owner" means:

(a) A person named as an owner on the title instrument for that person's principal dwelling which is recorded in the records of the register of deeds for the county in which that person's principal dwelling is located.

(b) A person related as husband or wife to a person under par. (a), (d), (f) or (h).

(c) An officer, partner or shareholder of a partnership under s.178.03(1), Stats., or tax-option corporation defined in s.71.34(2), Stats., that owns property that is the principal dwelling of that officer, partner or shareholder.

(d) A buyer in possession under a land contract of property which is the principal dwelling of the buyer.

(e) A trustee, as defined in s.701.01(8), Stats., of a trust in property, as defined in s.701.01(7), Stats., where a beneficiary of that trust, as defined in s.701.01(1), Stats., uses the property as his or her principal dwelling.

(f) A member, as defined in s.185.01(5), Stats., of a cooperative as defined in s.185.01(2), Stats., that owns property that is the principal dwelling of the member.

(g) A person holding a property interest for life or term under s.700.02(3) or (4), Stats., in property on which that person's principal dwelling is located.

(h) An owner of a mobile home.

(i) A lawfully authorized agent of an owner described under pars. (a) to (h).

(8) (a) "Principal dwelling" means any dwelling that is used by the owner of the dwelling as a "primary residence." "Principal dwelling" is further defined to mean a place of abode by intention and in fact in this state to which, whenever absent, the owner intends to return.

(b) For purposes of defining "principal dwelling", "dwelling", and "primary residence", the following shall apply:

1. If an owner lives part of the year in Wisconsin and part of the year outside of Wisconsin, the owner's Wisconsin residence is the owner's principal dwelling if the owner resides in the Wisconsin residence for more than 6 months of the year.

2. An owner can have only one principal dwelling.

NOTE: Eligibility for the lottery credit will not be denied to an owner who is a temporary resident of a facility such as, but not limited to, a health care facility if it is the intent of the owner to return to his or her principal dwelling.

(9) "Taxation district" has the meaning given in s.74.01(6), Stats.

(10) "Taxing jurisdiction" has the meaning given in s.74.01(7), Stats.

Tax 20.02. COMPUTING THE LOTTERY CREDIT. (1) CLASS A AND CLASS B OWNERS. For Class A and Class B owners the credit is computed as the estimated fair market value, not to exceed \$8,200, of the parcel or the account that includes the principal dwelling multiplied by the equalized value school tax rate for the school district in which the principal dwelling is located.

(2) CLASS C OWNERS. For Class C owners the credit is computed as the "net fair market value" of the mobile home, not to exceed \$8,200, as established by the assessor under s.66.058(3) (c), Stats., for January 1, 1992, multiplied by the equalized value school tax rate for the school district in which the mobile home is located.

(3) The amount of the property tax due after application of the lottery credit may not be less than zero.

Tax 20.03. PROPERTY TAX BILLS. The following instructions shall apply to property tax bills for 1991 payable in 1992:

NOTE: Under s.74.09, Stats., the department prescribes the property tax bill, which must be uniform. Lottery credit information appearing on tax bills is guided by s.74.09(3)(b)2r. Stats.

(1) Tax bills for improved residential and agricultural parcels shall show the amount of the lottery credit and the amount of the property tax after lottery credit adjacent to those terms at the bottom center of the bill. Tax bills for all other parcels and accounts shall not show an amount at these locations except for bills under sub. (4).

(2) All tax bills shall show amounts in the column NO LOTTERY CREDIT. Tax bills issued for improved residential and agricultural parcels shall, in addition, show the amounts in the column LOTTERY CREDIT, and the amounts in the column LOTTERY CREDIT CLAIMED but tax bills for all other parcels and accounts shall not show an amount in these columns except for bills under sub. (4).

(3) On tax bills for improved residential and agricultural parcels, but excluding tax bills issued by a city that collects general property taxes under s.74.87, Stats., the total amount of the lottery credit shall be deducted from the amount of the net property tax included in the first instalment. If the lottery credit exceeds the amount of net property taxes included in the first instalment, the excess shall be deducted from subsequent instalments but no instalment may be reduced below zero. On tax bills for improved residential parcels issued by a city that collects general property taxes under s.74.87, Stats., the lottery credit may be prorated over instalment payments.

(4) In a city that collects taxes under s.74.87, Stats., tax bills for mercantile parcels with an assessed value of \$250,000 or less, and tax bills for mercantile apartments, if the property address is the same as the billing address, shall show the lottery credit in the same manner as bills for improved residential and agricultural parcels under subs. (1) and (2). Owners receiving tax bills under this provision shall claim the credit in the same manner as Class A owners under s. Tax 20.04(1).

Tax 20.04. HOW TO CLAIM THE CREDIT. (1) CLASS A OWNERS. (a) Class A owners may claim the credit by timely paying the full payment amount, or the 1st instalment amount, shown in the column LOTTERY CREDIT CLAIMED, signing the tax bill in the place indicated by "signature", and presenting the signed tax bill to the taxation district treasurer.

(b) If an owner timely pays the full payment amount, or the 1st instalment amount, shown in the column LOTTERY CREDIT CLAIMED but fails to present a signed tax bill to the taxation district treasurer the claim for credit is not perfected and the credit will not be allowed. The owner may perfect the claim

by presenting his or her signed tax bill or a LATE CLAIM form on or before July 31, 1992, to the treasurer responsible for collecting taxes at the time the claim is perfected.

NOTE: LATE CLAIM forms are available from taxation district treasurers and county treasurers.

(c) An owner may claim the credit at any time on or before July 31, 1992, without paying one of the amounts shown in the column LOTTERY CREDIT CLAIMED, by presenting his or her signed tax bill or a LATE CLAIM form to the treasurer responsible for collecting taxes at the time the credit is claimed.

(d) If an owner pays an amount in the column NO LOTTERY CREDIT, the owner may subsequently claim the credit by presenting a signed tax bill or a LATE CLAIM form on or before July 31, 1992, to the treasurer responsible for collecting taxes at the time the credit is claimed. If the credit is claimed after the amount due for full payment has been paid, the treasurer shall refund the amount of the credit. If the credit is claimed after the first instalment has been paid, the treasurer shall reduce the amount of subsequent instalments by the amount of the credit.

(e) An owner whose taxes are paid from an escrow account by a mortgage lender may request the lender to claim the credit on a claim form for ESCROWED TAXES if the borrower receives that form from the lender. The owner may also claim the credit by presenting a signed tax bill to the lender, to be used by the lender when the lender pays the tax. If the credit of an owner whose taxes are paid from an escrow account by a mortgage lender has not been claimed by the lender, the owner may claim the credit using the late claim procedure under par. (d).

NOTE: The claim form for escrowed taxes was distributed by the department to over 1000 mortgage lending institutions operating in Wisconsin. The form is available from the department.

(f) If an owner wishes to claim a credit on a parcel on which another owner has claimed a credit, or where more than one owner wish to claim a credit, the additional claim or claims shall be made on a CLASS B claim form under sub. (2) except that a duplicate tax bill may also be used to claim the credit in a city that collects general property taxes under s.74.87, Stats. The number of lottery credits claimed on a parcel is limited to the number of principal dwellings on the parcel.

NOTE: Examples of owners whose primary residence is on the same improved residential or agricultural parcel as another owner include co-owners of an agricultural parcel on which each owner has a primary residence or a jointly-owned duplex in which each unit is occupied by one of the owners.

(2) CLASS B OWNERS. (a) Class B owners claim the credit by completing a CLASS B claim form and submitting it, on or before July 31, 1992, to the treasurer responsible for the collection of taxes at the time the form is submitted. The treasurer shall compute the credit under s. Tax 20.02(1).

NOTE: CLASS B claim forms are available from taxation district treasurers and county treasurers.

(b) If the credit is claimed at the time the property tax is paid, the treasurer shall subtract the credit and the owner may pay an amount net of the lottery credit.

(c) If the credit is claimed after the total amount due has been paid, the treasurer shall issue a refund equal to the amount of the credit.

(d) If the credit is claimed after the first instalment has been paid, the treasurer shall reduce the amount of subsequent instalments by the amount of the credit.

(e) If the credit is claimed but the amount of the first instalment, net of the credit, has not been paid, the treasurer shall reduce the balance due by the amount of the credit.

(3) CLASS C OWNERS. (a) Class C owners claim the credit by completing a MOBILE HOME PARKING FEE claim form and submitting it to the taxation district treasurer on or before July 31, 1992.

NOTE: MOBILE HOME PARKING FEE claim forms are available from taxation district treasurers.

(b) The taxation district treasurer shall compute the amount of the lottery credit under s. Tax 20.02(2). One-twelfth of the credit so determined shall be subtracted from the monthly mobile home fee otherwise due.

(c) If the credit is claimed after any monthly fees for 1992 have been paid, credits pertaining to monthly fees prior to the first month in which the credit is deducted shall also be deducted from the fee due in that first month.

(d) The claim for a credit under this subsection is based on ownership and use of a mobile home at a specific parking site. The credit shall not be granted for any month in which ownership, use or parking site is different from the facts of the original claim. A change in the mobile home used by the owner as the owner's principal dwelling if the new home occupies the same parking site as the old home does not constitute a change from the facts of the original claim.

(e) For any month in which the credit is not granted, the amount of the credit pertaining to that month shall be entered on the books of the taxation district. The total of the amounts entered shall be remitted to the department of administration by January 20, 1993. The taxation district treasurer shall charge back to the school district the corresponding amounts settled for under s. Tax 20.07.

Tax 20.05. RESPONSIBILITIES OF TAXATION DISTRICT TREASURER AND COUNTY TREASURER. (1) ADMINISTRATION OF LOTTERY CREDIT. (a) The treasurer of a taxation district that collects taxes under s.74.11, Stats., shall accept perfected claims for the lottery credit through January 31, 1992. The treasurer of a taxation district that collects taxes under s.74.12 or s.74.87, Stats., shall accept perfected claims for the credit through July 31, 1992, or until the tax roll is transferred to the county treasurer for collection if earlier. Claims for credit in taxation districts which have transferred the tax roll to the county treasurer shall be made to the county treasurer. No

claim for credit shall be allowed after July 31, 1992. Except for cities that collect general property taxes under s.74.87, Stats., the rules for timely payment under s.74.69, Stats., shall apply to claims for the lottery credit. For cities that collect general property taxes under s.74.87, Stats., the rules for timely payment under s.74.87(7), Stats., shall apply to claims for the lottery credit.

(b) If a Class A owner pays one of the amounts shown in the column LOTTERY CREDIT CLAIMED but does not sign the tax bill, the claim for credit shall not be granted. The taxation district treasurer shall attempt to contact the owner, advising that the tax bill must be signed in order to perfect the claim. A LATE CLAIM form may be used by the treasurer to secure the owner's signature in lieu of a signature on the owner's tax bill. The following procedure shall apply:

1. 'Owner pays 1st instalment amount.' If the owner pays the first instalment amount in the column LOTTERY CREDIT CLAIMED and if a claim for credit has not been perfected by January 31, 1992, the amount of the credit and subsequent instalment amounts shall be delinquent. If the claim is perfected on or before July 31, 1992:

a. In taxation districts that collect taxes under s.74.11, Stats., the treasurer shall remove the delinquency, including interest and penalties, and remaining amounts due shall be treated as postponed.

b. In taxation districts that collect taxes under s.74.12, Stats., if all subsequent instalments of the amounts net of the lottery credit are paid timely, the treasurer shall remove the delinquency, including interest and penalties, and the owner shall be reinstated as an instalment payer. If subsequent instalments, net of the lottery credit, are not paid timely, but the claim for credit is perfected on or before July 31, 1992, the treasurer shall remove the delinquency in the amount of the credit, including interest and penalties on the amount of the credit. This provision shall also apply to cities that collect general taxes under s.74.87, Stats., subject to s.74.87(6), Stats.

2. 'Owner pays full payment amount.' If the owner pays the amount due for full payment in the column LOTTERY CREDIT CLAIMED and if a claim for credit has not been perfected by July 31, 1992, the amount of the credit shall be delinquent.

(c) If a treasurer has reason to question a perfected claim for credit the treasurer shall allow the credit and mark the claim for audit by the department.

(2) TAX ROLL ENTRIES. The posted tax roll shall show the amount of lottery credits claimed for each individual parcel.

NOTE: This record should be used by the taxation district treasurer and the county treasurer as the basis for the reports under sub. (3).

(3) INFORMATION PROVIDED TO THE DEPARTMENT. (a) March report. On or before March 1, 1992, each taxation district treasurer shall report to the department the total amount of credits claimed in the district through January 31, 1992. The report shall be on a form prescribed by the department and shall show the amount of lottery credits claimed for Class C owners separate from the credits for other classes of owners. The report shall be signed by the taxation district treasurer.

(b) August report. 1. On or before August 14, 1992, each county treasurer shall report to the department the total amount of credits claimed in each taxation district in the county by Class A and Class B owners, but excluding owners whose primary residence is classified as personal property, that were not included in the report under par. (a). The report shall be on a form prescribed by the department and shall be signed by the county treasurer. In a city that collects taxes under s.74.87, Stats., the city treasurer shall sign and submit the report.

2. On or before August 14, 1992, each taxation district treasurer shall report to the department the total amount of credits claimed in the taxation district by owners whose primary residence is classified as personal property, and the total amount of credits for Class C owners, that were not included in the report under par. (a).

(4) RECORD RETENTION. Each individual claim for a lottery credit included in the reports under sub. (3) shall be supported by a perfected claim or a facsimile of a perfected claim which shall be available for inspection by the department in the office of the taxation district treasurer or the county treasurer until January 1, 1995.

Tax 20.06. PAYMENT OF LOTTERY CREDITS. (1) The department of administration shall pay the amounts claimed under s. Tax 20.05(3)(a) to taxation district treasurers by March 23, 1992.

(2) The department of administration shall pay the amounts claimed under s. Tax 20.05(3)(b) to the proper treasurers by September 4, 1992.

Tax 20.07. SETTLEMENT FOR LOTTERY CREDITS. (1) With respect to the payment under s. Tax 20.06 (1), the taxation district treasurer shall, by April 15, 1992, do either of the following:

(a) Settle with taxing jurisdictions for the total amount of lottery credits remitted by the state.

(b) Record receipt of the lottery credits and issue a check to the county treasurer for the total amount excluding credits for owners whose primary residence is classified as personal property and credits for Class C owners; the excluded credits shall be settled for by the taxation district treasurer by April 15, 1992.

(2) Rules regarding settlement for lottery credits shall be the same as those for settlement of other tax payments except that lottery credits may only be

used to reduce general property taxes and may not be applied against special assessments, special charges and special taxes.

(3) If the county treasurer receives a payment under sub. (1)(b), the treasurer shall settle for the payment amount by August 20, 1992.

(4) The settlement under s.74.29, Stats., in August 1992 shall include the amount of lottery credits to be paid to the county treasurer under s. Tax 20.06 (2).

(5) Taxation district treasurers shall settle for credits received under s. Tax 20.06 (2) by September 15, 1992.

(6) A city which collects taxes under s. 74.87, Stats., shall settle for credits received under s. Tax 20.06 (2) by September 15, 1992.

Tax 20.08 CORRECTIONS. (1) If the department determines that the 1991 credits in a particular taxation district were not determined correctly, the department shall order an adjustment under sub. (4) for each parcel for which the 1991 credit was incorrect.

(2) After the final date on which 1991 credits may be claimed (July 31, 1992), the county treasurer shall determine the following for each parcel in a taxation district under sub. (1) for which a 1991 credit was claimed:

- (a) The credit actually claimed,
- (b) The correct credit amount,
- (c) The difference between pars. (a) and (b).

(3) The treasurer shall sum the differences under sub. (2)(c) for each taxation district and shall certify those amounts to the department by October 1, 1992.

(4) The differences under sub. (2)(c) shall be entered on the 1992 tax roll and shall show on tax bills for each parcel for which the difference under sub. (2)(c) is not zero.

(5) The amount certified under sub. (3) for each taxation district shall be added to, or deducted from, total 1992 lottery credits paid to the taxation district in March 1993.

Tax 20.09. AUDIT; PENALTIES. (1) The department shall audit claims for the lottery credit.

(2) If the department determines that a credit was claimed by a taxpayer who was not entitled to the credit, the department shall collect the credit from the taxpayer. If the department is unable to collect the credit from the taxpayer the department shall collect the credit as a state special charge against the county in which the credit was claimed. The county shall proceed as follows:

(a) The county shall compute interest and penalties under s.74.47, Stats., on the amount of the state special charge for the period February 1, 1992 to the December 31 of the year in which the special charge against the county was apportioned.

(b) The county shall sum the state special charge, and interest and penalties under par. (a), and shall apportion the total amount to the taxation district. The taxation district shall enter the total amount on the tax roll for collection as a special charge against the property for which the credit was claimed.

(c) Interest computed under (a) on the state special charge shall accrue to the state.

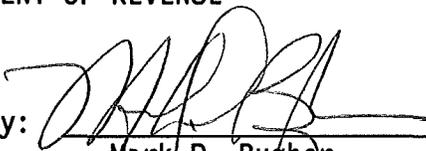
This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s.227.22(2) (intro) Stats.

FINAL REGULATORY FLEXIBILITY ANALYSIS

The rule will have no adverse impact on small businesses.

DEPARTMENT OF REVENUE

Date: July 31, 1992

By: 

Mark D. Bugher
Secretary of Revenue

RR:dls
CORPT379

RECEIVED

AUG 4 1992

Revisor of Statutes
Bureau

FISCAL ESTIMATE

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

DOA-2048 (R11/90)

Subject Lottery Credit Administration - 1991

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others taxation districts
 School Districts VTAE Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20,835 (3)(q)

Assumptions Used in Arriving at Fiscal Estimate

This rule guides administration of the lottery credit program for property taxes levied in 1991. The program was enacted by 1991 Wisconsin Act 39 and subsequently modified by 1991 Wisconsin Act 323.

The average lottery credit for 1991 taxes is \$144.

Assuming 1,190,000 total claims, the cost of the 1991 lottery credit will be \$171,360,000 (\$144 x 1,190,000).

Taxation districts claim the credits from the state by March 1, 1992 and are paid by March 23, 1992. Settlement for the credit is to occur by April 15. Under this rule, approximately \$3 million of the total would be claimed by August 14, 1992 and paid by the state by September 4, 1992.

LOCAL CASH FLOW EFFECTS

The lottery credit will affect timing of property tax settlements in the following manner:

- 1. Taxes Paid in Full. There will a two-month delay in settlement for the amount of the lottery credit claimed by taxpayers who pay in full by January 31. Under prior law, that amount would have been settled by February 15. Under the lottery credit that amount will be paid by the state and settled by April 15.

(continued on Page Two)

Long-Range Fiscal Implications

RECEIVED

AUG 4 1992

Revisor of Statutes
Bureau

Agency/Prepared by: (Name & Phone No.)
Wisconsin Department of Revenue
Rebecca Boldt, 266-6785

Authorized Signature/Telephone No. 266-2700
Ron Rosner

Date
6/12/92

FISCAL ESTIMATE WORKSHEET

1991 Session

Detailed Estimate of Annual Fiscal Effect ORIGINAL UPDATED
 DOA-2047(R11/90) CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. Amendment No.
 TAX 20

Subject Lottery Credit Administration - 1991

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

FY 1993: \$221,000 SEG-Lottery Fund for auditing claims

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance		171,360,000	-
Aids to Individuals or Organizations			-9 million
TOTAL State Costs by Category		\$171,360,000	\$ -9 million
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -9 million
FED			-
PRO/PRS			-
SEG/SEG-S			-
Lottery Fund		171,360,000	-
III. State Revenues- Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ -

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ +162,360,000 \$ See Text of Fiscal Note

NET CHANGE IN REVENUES \$ \$ See Text of Fiscal Note

Agency/Prepared by: (Name & Phone No.)
 Wisconsin Department of Revenue
 Rebecca Boldt. 266-6785

Authorized Signature/Telephone No. 266-2700

Date

Tom Kohn

6/12/92



State of Wisconsin • DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • FAX (608) 266-5718

RECEIVED

July 31, 1992

AUG 4 1992

Revisor of Statutes
Bureau

The Honorable Douglas LaFollette
Secretary of State
30 West Mifflin Street, 10th Floor
Madison, Wisconsin 53702

Dear Secretary LaFollette:

Enclosed are a Certificate and an Order of the Department of Revenue adopting Clearinghouse Rule 92-12.

These materials are filed with you pursuant to s.227.20, Stats.

Sincerely,

Mark D. Bugar
Secretary of Revenue

MDB:RB:dls
CODLK124

Enclosure

cc: ✓ Revisor of Statutes



State of Wisconsin • DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX 608-266-5718

Tommy G. Thompson
Governor

Mark D. Bugher
Secretary of Revenue

July 31, 1992

RECEIVED
AUG 4 1992
Revisor of Statutes
Bureau

Mr. Gary L. Poulson
Assistant Revisor
Revisor of Statutes Bureau
119 Martin Luther King, Junior, Boulevard, Second Floor
Madison, Wisconsin 53702

Re: Clearinghouse Rule 92-12

Dear Mr. Poulson:

Enclosed are a certified copy and an extra copy of an Order of the Department of Revenue promulgating rules relating to the lottery credit.

These materials are filed with you pursuant to s.227.20(1), Stats.

Sincerely,



Mark D. Bugher
Secretary of Revenue

MDB:RB:d1s
CODLK125

Enclosure

cc: Douglas J. LaFollette, Secretary of State
Commerce Clearing House, Inc.
Research Institute of America, Inc.