

CR 92-117

CERTIFICATE

STATE OF WISCONSIN)

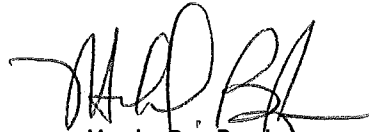
) SS

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 October 26, 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 27th day of October, 1992.



Mark D. Bugher
Secretary of Revenue

RECEIVED

OCT 27 1992
4:00 pm
Revisor of Statutes
Bureau

1-1-93

ORDER OF THE DEPARTMENT OF REVENUE

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, 225, 269 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 amended to guide administration of the lottery credit on property taxes for 1992 (payable in 1993) and thereafter.

The lottery credit program was enacted by 1991 Wisconsin Act 39. Under the program, owners of a principal dwelling qualify for a credit equal to the school tax on a portion of the dwelling's value set by the Legislature and referred to in this rule as the "credit value." For computing the 1991 lottery credit, this value was \$8,200. The credit value used for computing the 1992 credit is \$9,150. Thereafter the credit value will depend on the amount available in the lottery fund. Under 1991 Wisconsin Act 225, homeowners claim the credit before the tax bill is prepared. Unlike the 1991 credit, homeowners will not be able to claim the credit by signing the tax bill.

The rule does the following:

- defines terms such as "owner" and "primary residence"
- describes how the credit is computed
- explains how the credit is claimed
- explains the payment of the credit to local treasurers and the reimbursement by the state for administrative costs
- 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 of taxable property who uses his or her property as a primary residence on July 1, 1992, qualifies for the credit for 1992 property taxes. An owner of a mobile home subject to the monthly parking permit fee who uses the mobile home as his or her primary residence also qualifies for the credit. For 1993 and thereafter, an owner of taxable property or a mobile home subject to the monthly parking permit fee who uses his or her property as a primary residence on January 1 qualifies for the credit for the property tax or monthly parking permit fees payable in that year.

HOW IS THE CREDIT CLAIMED?

Individuals claim the credit by attesting that as of the certification date, they are the owner of property which they use as their primary residence. For the 1992 credit, the certification date is July 1, 1992. For 1993 and thereafter the certification date is January 1 of the year in which the property tax is levied.

Individuals who received the credit for 1991 property taxes will receive an application for the 1992 credit. Those who receive the credit for 1992 taxes will receive an application for the 1993 credit, and so on. Treasurers must accept applications through October 31 preceding the issuance of the tax bill to which the credit pertains. Late claims will be allowed through January 31 following the issuance of the tax bill. The county treasurer is responsible for overall administration of the program except that in cities which have obtained the approval of the department of revenue to administer the program, the city treasurer shall administer the program.

Eligible taxpayers not receiving an application by mail can obtain one from the county treasurer; in cities approved by the department, the city treasurer will provide the application.

When taxes of individuals claiming the credit are paid in instalments, the total credit is deducted from the first instalment.

Owners of mobile homes subject to the monthly mobile home parking permit fee claim the credit by completing a MOBILE HOME PARKING FEE claim form by January 31. The municipal treasurer then computes the credit and deducts one-twelfth from each monthly parking permit fee due for that year.

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, holders of a life estate, mobile home owners, certain corporate shareholders, certain partners in a partnership, and a lawfully authorized agent of an "owner".

PRIMARY RESIDENCE DEFINED.

A "primary residence" is defined to mean the place or dwelling where an individual lives most of the time. When temporarily away, it is the home to which the individual returns. 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 primary residence. 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 "primary residence" if the owner resides in the Wisconsin residence for more than 6 months of the year.

RESPONSIBILITIES OF LOCAL OFFICIALS.

County treasurers have major responsibility for administration of the lottery credit. If an application for credit is signed and timely received, the treasurer shall make a notation on the record for the claimant's parcel. If an application for credit is not signed, the treasurer shall not allow the claim and will attempt to get the owner's signature on the application. If a treasurer has reason to question a signed application, the treasurer is to accept the application but mark it for audit by the department. Every claim for credit must be supported by a signed application or facsimile, which must be retained for four years for the department's audit. The treasurer shall provide the department a report of the total number and value of credits claimed, and a report with the name, parcel number and property description/address of each claimant.

AUDIT; PENALTIES.

The department will audit claims for the lottery credit. If the department determines, prior to the time the tax roll is prepared, that a credit should not be allowed, the department shall instruct the appropriate treasurer to cancel the credit for that parcel. If the department determines that a claim for credit that has already been reflected on a tax bill 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 property for which the credit was claimed.

SECTION 1. Chapter Tax 20 is renumbered Chapter Tax 20, Subchapter I.

SECTION 2. Chapter Tax 20, Subchapter II is created to read:

CHAPTER TAX 20

Subchapter II

LOTTERY CREDIT

- 20.11 Definitions
- 20.12 Computing the lottery credit
- 20.13 Authorization for approved cities
- 20.14 How to claim the credit
- 20.15 Responsibilities of county treasurer and taxation district treasurer
- 20.16 Payment of lottery credits and administrative reimbursement
- 20.17 Settlement for lottery credits
- 20.18 Corrections
- 20.19 Audit; penalties

Tax 20.11. DEFINITIONS. In this subchapter:

- (1) "Application" means application to claim the lottery credit.
- (2) "Approved city" means a city that has the approval of the department to administer the lottery credit within its jurisdiction.
- (3) "Approved parcel" means a parcel of taxable real estate or an item of personal property that contains the primary residence of an owner whose application for a lottery credit has been timely made and has not been disqualified by the department.
- (4) "Credit" means the lottery credit under ss. 66.058(3)(c) and 79.10, Stats.
- (5) "Credit value" means the value of property set by the legislature for purposes of computing the lottery credit.
- (6) "Department" means the department of revenue.
- (7) "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. "Dwelling" does not include a structure which is exempt from property taxes under s. 70.111(19) or 70.112(5), Stats. in the year of the credit.
- (8) "Owner" means:
 - (a) A person named as an owner on the title instrument for that person's primary residence which is recorded in the records of the register of deeds for the county in which that person's primary residence is located.
 - (b) A person related as husband or wife to a person under par. (a), (d), (f), (g) or (h).
 - (c) A partner of a partnership under s. 178.03(1), Stats., or shareholder of tax-option corporation defined in s. 71.34(2), Stats., or a shareholder of a small business corporation as defined in sec. 1361(b), I.R.C., if that partnership or corporation owns property that is the primary residence of the partner or shareholder.
 - (d) A buyer in possession under a land contract of property which is the primary residence of the buyer, provided that the land contract or the instrument evidencing the existence of a land contract is notarized no later than 6 months after the certification date.
 - (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 primary residence.

(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 primary residence of the member.

(g) A person holding a property interest for life under s. 700.02(3), Stats., in property on which that person's primary residence is located, provided that the life interest is notarized no later than 6 months after the certification date.

(h) An owner of a mobile home.

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

(9) "Primary residence" means an individual's principal dwelling. Primary residence is further defined to mean the place or dwelling where an individual lives most of the time. When temporarily away, it is the home to which the individual returns. For purposes of defining "primary residence," the following shall apply:

(a) 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 primary residence if the owner resides in the Wisconsin residence for more than 6 months of the year.

(b) An owner can have only one primary residence.

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 primary residence.

(10) "School tax rate" means the rate computed by the department as the total amount levied by the school district in which the property is located divided by the full value of the school district excluding Tax Incremental District value increments.

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

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

Tax 20.12. COMPUTING THE LOTTERY CREDIT. (1) For owners of taxable property, the credit is computed as the estimated fair market value, not to exceed the credit value, of the approved parcel multiplied by the school tax rate for the school district in which the approved parcel is located.

(2) For owners of mobile homes subject to a monthly mobile home parking permit fee the credit is computed as the "net fair market value" of the mobile home, as established by the assessor under s. 66.058(3) (c), Stats., for January 1, not to exceed the credit value, multiplied by the school tax rate for the school district in which the mobile home is located.

(3) The amount of the property tax or mobile home parking permit fee due after subtracting the lottery credit may not be less than zero.

Tax 20.13. AUTHORIZATION FOR APPROVED CITIES. (1) A city may request the department's approval to administer the lottery credit within its jurisdiction. The request shall be in writing and shall indicate the reasons the city believes it, rather than the county, should administer the credit.

(2) The department shall rule on the city's request under sub. (1) no later than 30 days after receiving the request. The ruling shall be signed by the secretary of revenue.

Tax 20.14. HOW TO CLAIM THE CREDIT. (1) TAXABLE PROPERTY. (a) An owner of taxable property who qualifies for the lottery credit may claim the credit on an application prescribed by the department. The owner must attest that as of the certification date, he or she is the owner of the property described on the application and that as of that date he or she uses the property as his or her primary residence. The completed application shall be filed with the county treasurer except that in approved cities and in a city that collects taxes under s. 74.87, Stats., the application shall be filed with the city treasurer. The certification date for the tax levied in 1992 is July 1, 1992. Thereafter, the certification date is the January 1 of the year the tax is levied.

NOTE: A copy of the prescribed application for the 1992 credit, including instructions, is attached as an appendix.

(b) If more than one owner qualifies for and claims a credit on a parcel of taxable property, each owner shall claim the credit under par. (a) on a separate application. The number of credits claimed on a parcel may not exceed the number of dwellings on the parcel. Total credits are limited by s. Tax 20.12(3).

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

(c) An owner who qualifies for the credit against taxes but whose tax bill does not reflect the credit may claim the credit until January 31 following the issuance of the tax bill by filing the application under par. (a) with the treasurer collecting the taxes. If the application is approved, the treasurer shall proceed under s. Tax 20.15(1)(e).

(2) MOBILE HOMES. (a) The owner of a mobile home subject to a monthly mobile home parking permit fee who qualifies for the credit may claim the credit on an application prescribed by the department. The owner must attest that as of January 1 of the year the fees are payable he or she is the owner of the mobile home described on the application and as of that date he or she uses

the mobile home as his or her primary residence. The completed application must be filed with the taxation district treasurer no later than January 31 of the year the fees are payable.

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 20.12(2). One-twelfth of the credit so determined shall be subtracted from each monthly mobile home parking permit fee otherwise due for the parking site occupied by the owner under par. (a) on January 1.

(c) The amount of the lottery credit pertaining to months in which a fee is not due for the parking site of an owner under par. (a) shall be recorded by the taxation district treasurer and remitted to the department of administration by January 20 of the following year. The taxation district treasurer shall charge back to the school district the corresponding credits settled for under s. Tax 20.17.

Tax 20.15. RESPONSIBILITIES OF COUNTY TREASURER AND TAXATION DISTRICT TREASURER. (1) CERTIFICATION OF LOTTERY CREDIT. (a) The treasurer administering the credit under s. Tax 20.14(1) shall prepare applications for parcels likely to qualify for the lottery credit and those upon request. Prepared applications shall include the parcel number and the property address or other description of the property. The prepared application shall be distributed to the owner of the parcel.

(b) The treasurer under s. Tax 20.14(1)(a) shall accept applications for the lottery credit for taxable property through the October 31 prior to issuance of the tax bill. The treasurer shall accept facsimiles of applications or other documents evidencing a claim that include all the information contained in the application from prescribed by the department if such facsimiles or other documents are received by the treasurer by October 31. The treasurer shall not accept applications postmarked earlier than the certification date.

(c) If the treasurer receives an application without an owner's signature, the claim for the credit shall not be granted. The treasurer shall attempt to contact the owner and advise him or her of the need to sign the application.

(d) If a treasurer has reason to question a signed application, the treasurer shall approve the claim but shall mark the application for audit by the department. The treasurer shall advise the department of all claims marked for audit no later than March 1 of the year following the year of the credit.

(e) Late Claims for Credit. An owner who qualifies for the lottery credit but whose tax bill does not reflect the credit may claim the credit until January 31 following the issuance of the tax bill by filing the application under s. Tax 20.14(1)(a) with the treasurer responsible for collecting the January payment of the owner's property taxes. The treasurer shall compute the credit, subtract it from the amount due for the approved parcel of the owner and make an appropriate entry in the tax roll. If the tax has been paid in full, the treasurer shall provide a refund. Except for approved cities, the treasurer

shall, on or before settlement under ss.74.25 or 74.30, Stats., convey to the county treasurer the parcel number, property address or other description of the property and the name and mailing address for each claim accepted under this paragraph.

(2) TAX ROLL ENTRIES. The tax roll shall indicate the amount of lottery credits claimed for approved parcels.

(3) PROPERTY TAX BILLS. The treasurer under s. Tax 20.14(1) shall cause the lottery credit to appear on tax bills for approved parcels for which an application has been received under sub. (1)(b). The total amount of the lottery credit shall be deducted from 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 approved 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) INFORMATION PROVIDED TO THE DEPARTMENT. (a) March report. 1. On or before March 1, the county treasurer shall report to the department the total number and amount of credits claimed against taxes levied in the previous December in each taxation district in the county except that for taxation districts in approved cities and taxation districts in a city that collects taxes under s. 74.87, Stats., the city treasurer shall report to the department. The report shall be on a form prescribed by the department and shall be signed by the treasurer.

2. On or before March 1, each taxation district treasurer shall report to the department the total number and amount of credits claimed through the preceding January 31 for mobile homes subject to a monthly parking permit fee. The report shall be on a form prescribed by the department and shall be signed by the taxation district treasurer.

(b) Mobile Home Credit Refund. On or before January 20, the taxation district treasurer shall report to the department on a form prescribed by the department the amount of mobile home credits under s. Tax 20.14(2)(c). A check for the amount of the credits under s. Tax 20.14(2)(c) shall accompany the report.

(c) Claimant report. 1. 'Taxable property.' a. Report for 1992. On or before April 1, 1993, the treasurer under sub. (1) shall provide the department a report of all claims included in the March 1, 1993, report under par. (a)1. The report shall indicate for each individual claim the parcel number, property address or other description of the property, and the name and mailing address for purposes of mailing the tax bill. The report shall be in a computer-readable format.

b. Report for 1993 and later years. On or before May 1, 1993, and on or before May 1 of each year thereafter, the treasurer under sub. (1) shall provide the department a report of all claims for that year's lottery credit that have been accepted by the treasurer as of the date of the report. The

report shall indicate for each individual claim the parcel number, property address or other description of the property, and the name and mailing address for purposes of mailing the tax bill. The report shall be in a computer-readable format. On or before March 1, 1994, and on or before March 1 of each year thereafter, the treasurer under sub. (1) shall provide the department a report of all claims for the previous year's lottery credit. The March 1 report shall be in the same form as the May report.

2. 'Mobile homes.' On or before April 1, 1993, and on or before each April 1 thereafter, each taxation district treasurer filing a report for that year under par. (a)2 shall provide the department a report of all claims included in the March 1 report. The report shall indicate for each individual claim the account number and address of the mobile home, and the name of the person claiming the credit.

(d) Corrections report. On or before October 1, the treasurer under sub. (1) shall report to the department all corrections or adjustments made to the lottery credit claims of the previous year under s. Tax 20.18(2).

(5) RECORD RETENTION. Each claim for a lottery credit shall be supported by a signed application or a facsimile thereof which shall be available for inspection by the department in the office of the treasurer under sub. (1) for 4 calendar years beginning with the year for which the credit was claimed.

Tax 20.16. PAYMENT OF LOTTERY CREDITS AND ADMINISTRATIVE REIMBURSEMENT. (1) LOTTERY CREDIT. (a) March payment. On the 4th Monday in March the department of administration shall pay to the taxation district treasurer a percent set by the legislature of the amounts claimed for the district under s. Tax 20.15(4)(a)1 and 2.

(b) September payment. On the first Friday in September the department of administration shall pay:

1. To the county treasurer the amounts claimed for taxation districts in the county under s. Tax 20.15(4)(a)1 less the amounts under par. (a). For taxation districts in a city that collects taxes under s. 74.87, Stats., the payment shall be made to the city treasurer.

2. To the taxation district treasurer the amount claimed for the taxation district under s. Tax 20.15(4)(a)2 less the amount under par. (a).

(2) ADMINISTRATIVE REIMBURSEMENT. On the first Friday in September the department of administration shall pay:

(a) to the treasurer under s. Tax 20.14(1), \$0.50 for each application on file as of August 1.

(b) to the taxation district treasurer, \$0.50 for each claim reported to the department under s. Tax 20.15(4)(a)2.

Tax 20.17. SETTLEMENT FOR LOTTERY CREDITS. (1) On or before April 15, the taxation district treasurer shall do either of the following:

(a) Settle with taxing jurisdictions for the payment of lottery credits under s. Tax 20.16 (1)(a).

(b) Issue a check to the county treasurer for the amount under s. Tax 20.16(1)(a) excluding the amount corresponding to credits for owners of mobile homes subject to the monthly parking permit fee. The excluded amount shall be distributed by the taxation district treasurer by April 15.

(2) Settlement for lottery credits shall be the same as settlement of other tax payments except that lottery credits may only be used to reduce general property taxes; they may not be applied against special assessments, special charges and special taxes.

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

(4) The settlement under s. 74.29, Stats., shall include the amount of lottery credits to be paid to the county treasurer under s. Tax 20.16(1)(b)1.

(5) A city which collects taxes under s. 74.87, Stats., shall settle for credits received under s. Tax 20.16(1)(b)1 in the October settlement.

Tax 20.18. CORRECTIONS. (1)(a) If the department determines that the credits in a particular taxation district were not determined correctly, the department shall order an adjustment under par. (d) for each parcel for which the credit was incorrect.

(b) The county treasurer shall determine the following for each parcel in a taxation district under par. (a) for which a credit was claimed:

1. The credit actually claimed,
2. The correct credit amount,
3. The difference between subd. 1. and 2.

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

(d) The differences under subd. (b)3. shall be entered on the following year's tax roll and shall show on tax bills for each parcel for which the difference under subd. (b)3. is not zero.

(e) The amount certified under par. (c) for each taxation district shall be added to, or deducted from, the total lottery credits of the following year paid to the taxation district in March of the following year.

(2) Treasurers under s. Tax 20.14(1)(a) shall make corrections for erroneous or omitted lottery credits under s. 79.10(6m), Stats. The treasurer shall report corrections on a form prescribed by the department no later than October 1 of the year following the year of the credit.

Tax 20.19. AUDIT; PENALTIES. (1) The department shall audit claims for the lottery credit.

(2) If the department determines that a credit was claimed for an approved parcel or a mobile home subject to the monthly parking permit fee by a person who does not qualify for the credit on that approved parcel or mobile home, the department shall proceed as follows:

(a) If the determination is prior to the time the tax roll is prepared, the department shall instruct the treasurer under s. Tax 20.14(1) to deny the credit, and the credit shall not appear on the tax bill for that parcel. The treasurer shall indicate on the tax roll that a claim for credit was denied.

(b) If the determination is after the tax roll is prepared, 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, and the county shall proceed as follows:

1. The county shall compute interest and penalties under s. 74.47, Stats., on the amount of the state's special charge from the February 1 after the tax was payable to the December 31 of the year in which the special charge against the county was imposed.

2. The county shall sum the state's special charge and interest and penalties under 1. and shall certify 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.

3. Interest computed under subd. 1. on the state's special charge shall accrue to the state.

(c) Appeals of the department's determination may be made under s. 227.42, Stats.

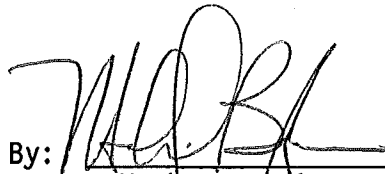
This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro), Stats.

FINAL REGULATORY FLEXIBILITY ANALYSIS

The rule will have no adverse impact on small businesses.

DEPARTMENT OF REVENUE

Date: October 27, 1992

By: 
Mark D. Bugher
Secretary of Revenue

RECEIVED
OCT 27 1992
Revisor of Stat.
Bureau

LOTTERY CREDIT APPLICATION FOR 1992 PROPERTY TAXES, PAYABLE IN 1993

The method for claiming the lottery credit has been changed. Instead of claiming the credit by signing the property tax bill, homeowners claim the credit by signing, dating and returning this form.

You may claim the lottery credit if, on July 1, 1992, you were an owner of the property described in the box and used that property as your primary residence. (Note: "primary residence" is defined below.) If you meet these requirements you may claim the lottery credit by signing in the place indicated and returning this form by September 1, 1992 to the County Treasurer's Office.

Do not return this form if you did not own the property on July 1, 1992 or if the property was not your primary residence as of July 1, 1992. The Wisconsin Department of Revenue will audit lottery credit claims. For additional information about the credit contact the County Treasurer's Office or the Wisconsin Department of Revenue, P.O. Box 8933, Madison, WI 53708-8933.

This will be your only opportunity to claim the lottery credit for 1992 property taxes. If your claim is approved, the credit will appear on your December, 1992 property tax bill. You will not be able to claim the credit by signing your property tax bill as before.

1992 Lottery Credit Claim

Property Address/Description:

Parcel Number:

I attest, under penalty of law, that as of July 1, 1992, I was an owner of the property described above and as of that date I used the property as my primary residence.

Signature _____ Date _____

Print Name Clearly _____

Note: Your primary residence is where you live most of the time. When you are temporarily away, it is the home you ordinarily return to. You can have only one primary residence.

Return this form by September 1, 1992 to the County Treasurer's Office

FISCAL ESTIMATE

DOA-2048 (R11/90)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Lottery Credit Administration - 1992

Fiscal Effect

State: No State Fiscal Effect

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

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

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

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 _____
 School Districts VTAE Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.835 (3)(g)

Assumptions Used in Arriving at Fiscal Estimate

This rule will guide administration of the lottery credit program for 1992 and thereafter.

The lottery credit program was enacted by 1991 Wisconsin Act 39. To guide administration of the program for the 1991 credit, the Department of Revenue promulgated an emergency rule as Chapter Tax 20.

The program was revised by 1991 Wisconsin Acts 225, 269 and 323.

Act 225 changes the way in which the credit is claimed by qualifying homeowners. Under the new program, owners claim the credit prior to the time the tax bill is issued. If the claim is approved, the credit appears on the owner's tax bill. Act 225 also creates a \$600,000 sum sufficient SEG-Lottery Fund appropriation to help offset local costs of administering the credit. Under that provision, the unit of government administering the credit, typically the county, will receive \$0.50 for each lottery credit claim.

Act 269 requires the state to reimburse 88% of lottery credit claims in March and creates a September payment for the balance.

Act 323 increases the value on which the 1992 credit is computed from \$8,200 to \$9,150; in later years the value will depend on an estimate of the amount in the lottery fund for that year's credits. Act 323 also repeals the September payment beginning with reimbursements for the 1993 credit.

(continued on Page Two)

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

Wisconsin Department of Revenue
Ron Rosner, 266-0938

Authorized Signature/Telephone No. 266-2700

Yeang-Eng Braun

Yeang Eng Braun

Date

9/17/92

FISCAL ESTIMATE WORKSHEET

1991 Session

Detailed Estimate of Annual Fiscal Effect ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. TAX 20, Subchapter II	Amendment No.
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Subject Lottery Credit Administration - 1992

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

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	FY 1993 = \$172 million + \$602,500 FY 1994 = \$23.5 million	196,102,500	-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$196,102,500	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
Lottery Fund		196,102,500	-
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

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 196,102,500	\$ See Text of Fiscal Note
NET CHANGE IN REVENUES	\$	\$ 602,500

Agency/Prepared by: (Name & Phone No.)
 Wisconsin Department of Revenue
 Ron Rosner, 266-0938

Authorized Signature/Telephone No. 266-2700

Yvonne Braun

Date
 9/17/92



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

October 26, 1992

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OCT 27 1992

Revisor of Statutes
Bureau

Mr. Gary L. Poulson
Assistant Revisor
Revisor of Statutes Bureau
2nd Floor
119 Martin Luther King, Jr. Blvd.
Madison, WI 53703

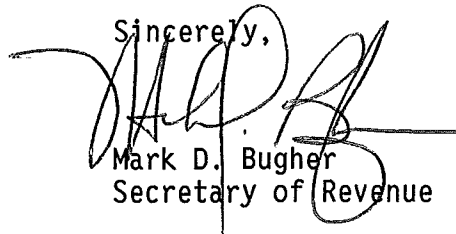
Re: Clearinghouse Rule 92-117

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:skr
COUNIT3487

Enclosures

cc: Douglas J. LaFollette, Secretary of State