



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1749/P4
JK:jld

DOA:.....Quinn, BB0321 - Forestry tax phase-out and elimination

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

This bill eliminates the forestation state property tax. Proceeds from the tax are paid into the conservation fund and used to acquire, preserve, and develop the forests of the state. The tax rate is 0.1697 mills for each dollar of the assessed value of the property of the state as determined by DOR. The bill provides that in each fiscal year an amount equal to 0.1697 mills for each dollar of the assessed value of the property of the state is transferred from the general fund to the conservation fund to be used for the same purpose as the tax.

For further information see the *state* 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:

SECTION 1. 16.848 (2) (f) of the statutes is amended to read:

16.848 (2) (f) Subsection (1) does not apply to lands acquired with revenues collected paid into the conservation fund under s. 70.58.

SECTION 2. 20.002 (2) (a) of the statutes is amended to read:

20.002 (2) (a) Solely for purposes of relating annual taxes to estimated expenses, amounts withheld under s. 71.64 prior to July 1 and taxes imposed by subch. III of ch. 77 for periods ending prior to July 1 shall be deemed accrued tax receipts as of the close of the fiscal year but no revenue shall be deemed accrued tax receipts unless deposited by the state on or before the August 15 following the end of the fiscal year. Solely for purposes of relating annual taxes to estimated expenses, fees imposed under subch. II of ch. 77, taxes imposed under ss. 139.02, 139.03 (2m) and (2n), 139.31 and 139.76 and assessments imposed under s. 50.14 (2) shall be deemed accrued tax receipts as of the close of the fiscal year, but no revenue shall be deemed accrued tax receipts unless deposited by this state on or before July 31. ~~Solely for purposes of relating annual taxes to estimated expenses, taxes imposed under s. 70.58 shall be deemed accrued tax receipts as of the close of the fiscal year, but no revenue shall be deemed accrued tax receipts unless it is deposited by this state on or before August 31.~~

SECTION 3. 20.835 (3) (title) of the statutes is amended to read:

20.835 (3) (title) STATE PROPERTY TAX CREDITS RELIEF.

SECTION 4. 20.835 (3) (ef) of the statutes is created to read:

20.835 (3) (ef) *Transfer to conservation fund; forestry.* A sum sufficient in an amount equal to the amount to be paid into the conservation fund as determined under s. 70.58 (3) for the forestry purposes described under s. 70.58 (1). The amounts may be paid at such intervals during each fiscal year as the secretary of administration considers appropriate or necessary.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 5. 25.29 (1) (a) of the statutes is amended to read:

25.29 (1) (a) Except as provided in ss. 25.293 and 25.295, all moneys accruing to the state for or in behalf of the department under chs. 26, 27, 28, 29, 169, and 350, subchs. I and VI of ch. 77 and ss. 23.09 to 23.31, 23.325, 23.33, 23.335, except as provided in s. 25.40 (1) (bt), 23.35 to 23.42, 23.50 to 23.99, 30.50 to 30.55, ~~70.58~~, 71.10 (5), 71.30 (10), and 90.21, including grants received from the federal government or any of its agencies except as otherwise provided by law.

SECTION 6. 25.29 (7) (intro.) of the statutes is amended to read:

25.29 (7) (intro.) All of the ~~proceeds of the tax which is levied~~ moneys received under s. 70.58, and all moneys paid into the state treasury as the counties' share of compensation of emergency fire wardens under s. 26.14 shall be used for acquiring, preserving and developing the forests of the state, including the acquisition of lands owned by counties by virtue of any tax deed and of other lands suitable for state forests, and for the development of lands so acquired and the conduct of forestry thereon, including the growing and planting of trees; for forest and marsh fire prevention and control; for grants to forestry cooperatives under s. 36.56; for compensation of emergency fire wardens; for maintenance, permanent property and forestry improvements; for other forestry purposes authorized by law and for the payment of aid for forests as authorized in s. 28.11 and subchs. I and VI of ch. 77.

SECTION 7. 25.29 (7) (a) of the statutes is amended to read:

25.29 (7) (a) Eight percent of the ~~tax levied~~ moneys received under s. 70.58 or of the funds provided for in lieu of the levy shall be used to acquire and develop forests of the state for the purposes or capable of providing the benefits described under s. 28.04 (2) within areas approved by the department and the governor and located within the region composed of Manitowoc, Calumet, Winnebago, Sheboygan, Fond

du Lac, Ozaukee, Washington, Dodge, Milwaukee, Waukesha, Jefferson, Racine, Kenosha, Walworth, Rock, and Outagamie counties.

SECTION 8. 25.29 (7) (b) of the statutes is amended to read:

25.29 (7) (b) An additional 4 percent of the tax levied moneys received under s. 70.58 or of the funds provided in lieu of the levy shall be used to purchase forests for the state for the purposes or capable of providing the benefits described under s. 28.04 (2) within areas approved by the department and the governor and located within the region specified under par. (a).

SECTION 9. 41.41 (10) (b) of the statutes is amended to read:

41.41 (10) (b) Each year, the department shall ascertain from the clerk of each taxation district in which the reserve or any land acquired by the board is located the aggregate gross general property tax rate for the taxation district, ~~exclusive of the rate that applies under s. 70.58 and~~ without respect to the school levy tax credit under s. 79.10.

SECTION 10. 41.41 (10) (c) 1. of the statutes is amended to read:

41.41 (10) (c) 1. Except as provided in par. (d), on or before each January 31, the department shall pay to the treasurer of each taxation district specified in par. (b), with respect to all land in the Kickapoo valley reserve and all land acquired by the board on or before January 1 of the preceding year, an amount determined by multiplying the estimated value of the land equated to the average level of assessment in the taxation district by the aggregate gross general property tax rate, ~~exclusive of the rate that applies under s. 70.58 and~~ without respect to the school levy tax credit under s. 79.10, that would apply to the land in that taxation district for that year if it were taxable.

SECTION 11. 70.57 (4) (b) 1. of the statutes is amended to read:

70.57 (4) (b) 1. For the year in which the error occurred, apportion county, school district, technical college district, and metropolitan sewerage district property taxes, and ~~state forestation taxes under s. 70.58~~, to the taxation district using the taxation district's erroneous valuation.

SECTION 12. 70.57 (4) (b) 2. of the statutes is amended to read:

70.57 (4) (b) 2. For the year in which the error occurred, apportion county, school district, technical college district, and metropolitan sewerage district property taxes, and ~~state forestation taxes under s. 70.58~~, to the taxation district using the taxation district's correct valuation.

SECTION 13. 70.58 (1) of the statutes is amended to read:

70.58 (1) Except as provided in ~~sub.~~ subs. (2) and (3), there is levied an annual tax of two-tenths of one mill for each dollar of the assessed valuation of the property of the state as determined by the department of revenue under s. 70.57, for the purpose of acquiring, preserving and developing the forests of the state and for the purpose of forest crop law and county forest law administration and aid payments, for grants to forestry cooperatives under s. 36.56, and for the acquisition, purchase and development of forests described under s. 25.29 (7) (a) and (b), the proceeds of the tax to be paid into the conservation fund. The tax shall not be levied in any year in which general funds are appropriated for the purposes specified in this section, equal to or in excess of the amount which the tax would produce.

SECTION 14. 70.58 (2) of the statutes is amended to read:

70.58 (2) In each of 3 years beginning with the property tax assessments as of January 1, 2005, the department of revenue shall adjust the rate of the tax imposed under this section so that the percentage increase from the previous year in the total amount levied under this section does not exceed 2.6 percent. The rate determined

by the department of revenue for the property tax assessment as of January 1, 2007, shall be the rate of the tax imposed under this section for all subsequent years, ending with the property tax assessments as of January 1, 2017.

SECTION 15. 70.58 (3) of the statutes is created to read:

70.58 (3) In fiscal year 2017-18, and in each fiscal year thereafter, an amount equal to 0.1697 mills for each dollar of the assessed valuation of the property of the state as determined by the department of revenue under s. 70.57 shall be transferred from the general fund to the conservation fund for the purposes described under sub. (1).

SECTION 9138. Nonstatutory provisions; Revenue.

(1) FORESTATION STATE TAX. For the property tax assessments as of January 1, 2017, the department of revenue shall prescribe a form for the property tax bills prepared under section 74.09 of the statutes that indicates that the state no longer imposes the forestation state tax. The form shall also indicate the amount of the forestation state tax that the taxpayer paid in the previous year.

(END)