



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2005 Wisconsin Act 49**  
[2005 Senate Bill 218]

**Tax Collection  
Administrative Changes**

2005 Wisconsin Act 49 does the following:

- Clarifies current law by specifying that a property owner may appeal the determination of a property tax assessment by the board of assessors to the board of review by providing a notice of appeal to the commissioner of assessments within 15 days from the date that the board of assessors issues its determination. This provision first applies on January 1, 2006.
- Authorizes the Department of Revenue (DOR) to reduce taxes, costs, penalties, and interest that are due from a taxpayer, regardless of whether the taxes are delinquent (currently, DOR may reduce the amount of delinquent taxes owed).
- Corrects an outdated reference to the Internal Revenue Code sections that relate to a spouse's tax liability for a joint income tax return; also, requires a spouse to apply for relief from tax liability within two years from the date on which DOR begins collections activities on the spouse's tax liability or within two years from the effective date of the provision, whichever is later.
- Eliminates the requirement that nonresidents and part-year residents prorate the angel investment credit, and requires the Department of Commerce to promulgate rules to limit the aggregate amount of angel investment credits to \$3 million per calendar year and the aggregate amount of early stage seed investment credits to \$3.5 million per calendar year.
- Clarifies that a qualified retirement fund for federal income tax purposes is a qualified retirement fund for state income tax purposes.
- Requires a seller who receives any refund of sales or use taxes, or who collects these taxes erroneously, to submit the refund of taxes to the buyer, or to DOR if the buyer cannot be located, within 90 days after receiving a refund or after discovering that the seller has collected taxes erroneously. Any portion of a refund or taxes not submitted to the buyer, or to DOR if the buyer cannot be located, within

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

that 90-day period, must be submitted to DOR, along with a penalty. A person who collects taxes erroneously from buyers for a real property construction activity or nontaxable service, may reduce the taxes and interest that he or she is required to submit to the buyer or to the DOR for that activity or service by the amount of tax and interest subsequently due and paid on the sale of or the storage, use, or other consumption of tangible personal property that is used by the person in that activity or service and transferred to the buyer.

- Provides that using a delivery service that has been approved by the IRS qualifies as mailing a tax-related document or payment under state law.

- Provides that a person may appeal DOR's redetermination of an earned income tax credit without paying the required \$25 filing fee.

- Eliminates the requirement that the DOR audit the records of persons who perform emissions inspections under a contract with the Department of Transportation.

***Effective Date:*** Act 49 takes effect on October 28, 2005.

***Prepared by:*** Laura Rose, Deputy Director

August 9, 2006

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