



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2011 Wisconsin Act 64
[2011 Assembly Bill 273]

**Loans for Overvaluation of
Equalized Value**

Under current law, the Department of Revenue (DOR) administers a loan program to make payments to any taxation district that certifies to DOR that the most recent equalized value of the taxation district's property is greater than it should be because of a clerical, arithmetic, transpositional, or similar error, and that the amount of the overvaluation represents 10% or more of the taxation district's equalized value in the year prior to the year in which the error occurred.

The taxation district uses the payments to make loans to persons who own property in the taxation district and who paid more property taxes than they should have as a result of DOR's error. The maximum loan amount would be equal to the erroneous increase in the person's taxes. In the following year, the amount of the loan is collected by the state as a special charge against the taxation district.

2011 Wisconsin Act 64 modifies the loan program to apply to overvaluations representing 7.5% or more of the taxation district's equalized value in the year prior to the year in which an error occurs. Additionally, the Act specifies that, if property tax bills have not already been distributed to property owners, DOR will make one loan to the taxation district to reduce the property taxes that would otherwise be imposed as a result of the error instead of making loans to individual taxpayers.

Effective date: 2011 Wisconsin Act 64 takes effect on November 24, 2011 and first applies to valuations made in 2011.

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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/>.