
Wisconsin Legislative Council

ACT MEMO



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2021 Wisconsin Act 162
[2021 Senate Bill 396]

**Interest on Claims for Unlawful
Property Tax**

CURRENT LAW

Under current law, a property tax is unlawful if any of the following has occurred: (1) a clerical error in the description of the property or in the computation of the tax; (2) the assessment included real property improvements which did not exist on the statutory date for making the assessment; (3) the property is exempt from taxation; (4) the property is not located in the taxation district; (5) a double assessment; or (6) an arithmetic, transpositional, or similar error. A person may file a claim for unlawful property taxes with the taxation district where the unlawfully taxed property is located. If the taxation district allows the claim, it pays the claimant for the amount of unlawful property taxes collected and may include interest at the rate of 0.8 percent per month from the date on which the claim was filed.

2021 WISCONSIN ACT 162

The bill changes the interest rate from 0.8 percent per month to **the average annual discount rate determined by the last auction of six-month U.S. Treasury bills**. This matches the interest rate paid under current law by a taxation district on a successful claim for an excessive assessment. The bill also allows a taxation district, after it has paid interest on either a recovery of an unlawful property tax or a successful claim for an excessive assessment, to collect from each underlying taxation district its proportionate share of the interest paid.

Effective date: January 1, 2023

DWS:ksm