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# Wisconsin Legislative Council

## AMENDMENT MEMO

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### 2021 Senate Bill 189

### Senate Substitute Amendment 1

## 2021 SENATE BILL 189

Under current law, local governments levy property taxes on real<sup>1</sup> and personal<sup>2</sup> property. However, several types of personal property are exempt from personal property taxation.

2021 Senate Bill 189 does the following:

- Exempts all personal property from property tax assessments, beginning with tax assessments on January 1, 2021.
- Requires the Department of Administration (DOA) to offset the property taxes lost through the exemption for all personal property by paying each taxing jurisdiction<sup>3</sup> an amount equal to the property taxes levied on all items of personal property on January 1, 2020.
- Requires that buildings on certain types of lands, such as leased lands and forest lands, be assessed as real property.

## SENATE SUBSTITUTE AMENDMENT 1

Senate Substitute Amendment 1 does the following:

- Exempts all business and manufacturing personal property from property tax assessments, beginning with tax assessments as of January 1, 2022.
- Eliminates the requirement that DOA reimburse taxing jurisdictions for lost property taxes due to the new exemption.
- Requires that buildings, improvements, and fixtures on certain types of lands, such as leased lands and forest lands, be assessed as real property.
- Requires the Department of Revenue, upon receiving a request from a city clerk, to recalculate the base value of a tax incremental district affected by the bill to remove the value of personal property.
- Makes a number of technical changes to cross-references and the administration of the personal property tax.

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<sup>1</sup> Real property generally includes land itself and the buildings, improvements, fixtures, rights, and privileges attached to the land. [s. 70.03, Stats.]

<sup>2</sup> Personal property includes items that are not fixed to land, such as furniture, equipment, machinery, and fixtures. The statutory definition includes several specific types of property, such as ships, lumber, and toll bridges. [s. 70.04, Stats.]

<sup>3</sup> For purposes of the bill, a taxing jurisdiction is a municipality, county, school district, special purpose district, tax incremental district, environmental remediation tax incremental district, or technical college district. [s. 79.095 (1) (c), Stats.]

## **BILL HISTORY**

Senator Stroebel offered Senate Substitute Amendment 1 on June 21, 2021. On June 22, 2021, the Senate Committee on Economic and Workforce Development recommended adoption of the substitute amendment on a vote of Ayes, 4; Noes, 1; and recommended passage of the bill, as amended, on a vote of Ayes, 4; Noes, 1.

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