



1995 SENATE BILL 141

April 12, 1995 - Introduced by Senators COWLES, PETAK, ZIEN and A. LASEE, cosponsored by Representatives OTT, PLACHE, BALDUS, GOETSCH, F. LASEE, HUEBSCH, MUSSER, HAHN, AINSWORTH, SCHNEIDERS, GRONEMUS, MORRIS-TATUM, NOTESTEIN, SILBAUGH, WIRCH, HASENOHRL, ALBERS, GROTHMAN, WILDER, SERATTI and SPRINGER. Referred to Committee on State Government Operations and Corrections.

1 **AN ACT to amend** 71.91 (4) of the statutes; **relating to:** furnishing notice to
2 individuals regarding individual income tax liens.

Analysis by the Legislative Reference Bureau

Under current law, if a person who is liable to pay any income or franchise tax neglects, fails or refuses to do so, the amount of the tax, including interest, addition to tax, penalty or costs, becomes a perfected lien in favor of the department of revenue (DOR) upon all property and rights to property of the person. The lien is effective at the time that the taxes are due or at the time that an assessment is made.

Under this bill, for individuals, the lien is not effective until DOR sends the person notice of his or her liability.

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:

3 **SECTION 1.** 71.91 (4) of the statutes is amended to read:

4 71.91 (4) UNPAID TAX IS PERFECTED LIEN ON PROPERTY. If any person liable to pay
5 any income or franchise tax neglects, fails or refuses to pay the tax, the amount,
6 including any interest, addition to tax, penalty or costs, shall be a perfected lien in
7 favor of the department of revenue upon all property and rights to property. The lien
8 is effective at the time taxes are due or at the time an assessment is made, except that

1 for an individual the lien is not effective until the department of revenue sends the
2 person notice of his or her liability, and the lien shall continue until the liability for
3 the amount to be paid or for the amount so assessed is satisfied. The perfected lien
4 does not give the department of revenue priority over lienholders, mortgagees,
5 purchasers for value, judgment creditors and pledges whose interests have been
6 recorded before the department's lien is recorded.

7 **SECTION 2. Initial applicability.**

8 (1) This act first applies to liens that become perfected because of taxes that
9 are due or an assessment that is made on the effective date of this subsection.

10 (END)