



2003 ASSEMBLY BILL 195

March 25, 2003 – Introduced by Representatives M. LEHMAN, AINSWORTH, BIES, GROTHMAN and HAHN, cosponsored by Senator ROESSLER. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.91 (4); and **to create** 71.91 (5) (dm) of the statutes; **relating**
2 **to:** tax warrants and liens on property.

Analysis by the Legislative Reference Bureau

Under current law, if a person who is liable to pay any income or franchise tax to this state fails to pay such a tax, the amount of the unpaid tax becomes a lien on the person's property. The lien remains in effect until the person pays the amount of the unpaid tax. The Department of Revenue (DOR) must file a tax warrant with the circuit court clerk in the county where the person's property is located. The clerk files the warrant and enters it on the court's judgment and lien docket. The clerk also charges DOR a fee for filing the warrant. The tax warrant directs the county sheriff to sell as much of the person's property within the county as necessary to pay the amount of the unpaid tax.

Under this bill, a lien on a person's property, related to unpaid income or franchise taxes, remains in effect for 20 years or until the person pays the amount of the unpaid tax, whichever comes first. DOR may renew the lien by filing a new warrant with the circuit court clerk in the county where the person's property is located. Under the bill, the clerk does not charge DOR a fee for filing a warrant to renew a lien. The renewed lien remains in effect for 20 years or until the person pays the amount of the unpaid tax, whichever comes first.

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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:

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

2 71.91 (4) UNPAID TAX IS PERFECTED LIEN ON PROPERTY. If any person liable to pay
3 any income or franchise tax neglects, fails, or refuses to pay the tax, the amount,
4 including any interest, addition to tax, penalty, or costs, shall be a perfected lien in
5 favor of the department of revenue upon all property and rights to property. The lien
6 is effective at the time taxes are due or at the time an assessment is made and shall
7 continue until the liability for the amount to be paid or for the amount so assessed
8 is satisfied, except that liens related to warrants entered under sub. (5) (b) 1. after
9 the effective date of this subsection [revisor inserts date], shall continue for 20
10 years, subject to renewal under sub. (5) (dm), or until the liability for the amount to
11 be paid or for the amount so assessed is satisfied, whichever comes first. The
12 perfected lien does not give the department of revenue priority over lienholders,
13 mortgagees, purchasers for value, judgment creditors, and pledges whose interests
14 have been recorded before the department's lien is recorded.

15 **SECTION 2.** 71.91 (5) (dm) of the statutes is created to read:

16 71.91 (5) (dm) The department of revenue may renew a lien that expires after
17 20 years, as specified under sub. (4), by filing a warrant as provided under par. (ar)
18 no earlier than 180 days prior to the date that the lien expires and no later than the
19 date that the lien expires. The clerk of circuit court shall enter the warrant as
20 provided under par. (b) 1., except that no fee shall be assessed for any warrant filed
21 under this paragraph. A lien that is the subject of a warrant filed under this

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1 paragraph retains its priority for payment under the original warrant and remains
2 in effect for a period of 20 years beginning on the expiration date of the immediately
3 preceding lien, subject to renewal under this paragraph, or until the liability for the
4 amount to be paid or for the amount so assessed is satisfied, whichever comes first.

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(END)