

DLL:jal;

09/13/2012

1 **AN ACT** *to repeal* 77.885 (1) and (2) and 77.885 (2); *to consolidate, renumber and*
2 *amend* 77.885 (intro.) and (1); *to amend* 77.885 (intro.); and *to create* 77.10 (2) (d)
3 of the statutes; **relating to:** an exemption from withdrawal taxes and fees for tribal
4 land withdrawn from the forest cropland or managed forest land program.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the Joint Legislative Council’s Special Committee on State–Tribal Relations, based on drafting instructions given by the committee at its July 18, 2012 meeting.

The department of natural resources (DNR) administers 2 programs that provide tax benefits to landowners who make long–term commitments to manage forested land for the production of timber. The forest cropland program is closed to new enrollment, but includes parcels of land enrolled through 2035. The managed forest land program is open to new enrollment.

Under both programs, a land owner may withdraw land from the program, subject to a withdrawal tax, based, in full or in part, on the tax benefits the land owner has received under the program. In addition, land withdrawn from the managed forest land program is subject to a \$300 withdrawal fee.

Under the current managed forest land program, a tribe may withdraw land from the program without payment of the withdrawal tax or fee if both of the following apply:

1. The land that is withdrawn is being taken into trust for the tribe by the United States.
2. The tribe enters into a written agreement with the DNR under which the land will be treated as though it were still enrolled for the remainder of the enrollment period.

The forest croplands program does not have such a provision.

Also, under both programs, the withdrawal taxes and fee do not apply to a person who transfers ownership of enrolled land to the federal

1 if all of the following apply: ~~(1)~~ The the Indian tribe provides the department the date of the
2 order to transfer the land to the United States to be held in trust for the tribe.

3 **SECTION 5.** 77.885 (2) of the statutes is repealed.

4 **(END)**