

1969 Senate Bill 233

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CHAPTER 206, LAWS OF 1969

AN ACT to repeal 70.11 (21) (b), 71.04 (2b) (a) and 71.05 (1) (b) 5; to renumber 70.11 (21) (d); to renumber and amend 71.04 (2b) (b), (c) and (d); to amend 70.11 (21) (a) and 76.02 (10); to repeal and recreate 70.11 (21) (c) and 71.04 (2b) (intro.); and to create 70.111 (15), 71.05 (1) (h) and 71.07 (2) (d) of the statutes, relating to the exemption of pollution plant equipment from property taxation and the deduction of the cost of such plant for franchise and income tax purposes.

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

SECTION 1. 70.11 (21) (a) of the statutes is amended to read:

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70.11 (21) (a) All property purchased, or constructed, ~~installed and operated~~ with the approval of the committee on water pollution, state board of health, a city council, a village board or county board pursuant to s. 59.07 (53) or (85), for the purpose of abating or eliminating pollution of *surface waters or the air*, and all property purchased, or constructed, ~~installed and operated~~ with the approval of the department of resource development or the department of natural resources for the purposes of abating or eliminating pollution of the air or waters of the state, *but only air and water pollution abatement property associated with income producing property may be exempt under this provision.*

SECTION 2. 70.11 (21) (b) of the statutes is repealed.

SECTION 3. 70.11 (21) (c) of the statutes is repealed and recreated to read:

70.11 (21) (c) A prerequisite to exemption under this subsection is the filing of an annual statement in duplicate with the supervisor of assessment of the department of revenue in whose district such pollution abatement plant and equipment is located not later than May 10, on forms prescribed by the department.

SECTION 4. 70.11 (21) (d) of the statutes is renumbered 70.11 (21) (b).

SECTION 4m. 70.111 (15) of the statutes is created to read:

70.111 (15) LIQUID MANURE STORAGE TANKS. Any liquid manure storage tank used by a farmer. This exemption shall apply whether such equipment is deemed personal property or is so affixed to the realty as to be classified as real estate.

SECTION 5. 71.04 (2b) (intro.) of the statutes is repealed and recreated to read:

71.04 (2b) (intro.) The remaining cost of any waste treatment plant or pollution abatement equipment installed prior to the calendar year 1969 or corresponding fiscal year pursuant to order, recommendation or approval of the committee on water pollution, state board of health, city council, village board or county board pursuant to s. 59.07 (53) or (85), which plant or equipment was not fully depreciated or amortized for Wisconsin franchise or income tax purposes at the end of the 1968 calendar year or corresponding fiscal year, may be deducted in the calendar year 1969 or corresponding fiscal year at the election of the taxpayer. Failure to exercise such election on the 1969 return shall require continuation of the previous method of deducting cost of such property. The cost of all waste treatment or pollution abatement plant and equipment purchased or constructed in the calendar year 1969 or corresponding fiscal year or thereafter pursuant to order, recommendation or approval of the committee on water pollution, department of resource development, department of natural resources, state board of health, city council, village board, or county board pursuant to s. 59.07 (53) or (85) may be deducted in the year paid (as defined in s. 71.02 (1) (c)), may be depreciated, or may be amortized over a period of 5 years. The deduction election, once made, cannot be changed.

SECTION 6. 71.04 (2b) (a) of the statutes is repealed.

SECTION 7. 71.04 (2b) (b), (c) and (d) of the statutes are renumbered 71.04 (2b) (a), (b) and (c), respectively, and amended to read:

71.04 (2b) (a) The taxpayer shall file with the department of revenue at the time of his election under this subsection copies of recommendations, orders and approvals issued by the department of resource development, *department of natural resources*, state board of health, city council, village board or county board pursuant to s. 59.07 (53) or (85) in respect to such *waste* treatment plant and pollution abatement equip-

ment, and such other documents and data relating thereto as the department by rule requires.

(b) No deduction shall be allowed under this subsection on other than depreciable property, except that where wastes are disposed of through a lagoon process such lagooning costs *may be deducted, depreciated or amortized as provided herein* and the cost of land containing ~~such the~~ lagoons shall be subject to the accelerated amortization provided for under ~~this subsection may be deducted, depreciated or amortized as provided herein.~~

(c) In no event shall ~~accelerated amortization, or depreciation and accelerated amortization~~ the sum of past and current year deductions be permitted in excess of the cost of the asset subject to the provisions of this subsection.

SECTION 8. 71.05 (1) (b) 5 of the statutes is repealed.

SECTION 9. 71.05 (1) (h) of the statutes is created to read:

71.05 (1) (h) The federal adjusted basis at the end of the calendar year 1968 or corresponding fiscal year of waste treatment plant or pollution abatement equipment acquired pursuant to order or recommendation of the committee on water pollution, state board of health, city council, village board or county board pursuant to s. 59.07 (53) or (85), may be treated as a subtraction modification on the return of the calendar year 1969 or corresponding fiscal year but not in later years. In case of such subtraction an add modification shall be made in 1969 and later taxable years to reverse federal depreciation or amortization of such basis or to correct gain or loss on disposition. The cost of such plant or equipment acquired in 1969 or thereafter pursuant to order, recommendation or approval of the committee on water pollution, department of resource development, department of natural resources, state board of health, city council, village board, or county board pursuant to s. 59.07 (53) or (85) (less any federal depreciation or amortization taken) may be deducted as a subtraction modification or as subtraction modifications in the year or years in which paid or accrued, dependent on the method of accounting employed. In case of such election, appropriate add modifications shall be made in subsequent years to reverse federal depreciation or amortization or to correct gain or loss on disposition. This paragraph is intended to apply only to depreciable property except that where wastes are disposed of through a lagoon process, lagooning costs and the cost of land containing such lagoons may be treated as depreciable property for purposes of this paragraph. In no event may any amount in excess of cost be deducted. The taxpayer shall file with the department copies of all recommendations, orders or approvals relating to installation of such property and such other documents or data relating thereto as the department requests.

SECTION 10. 71.07 (2) (d) of the statutes is created to read:

71.07 (2) (d) For purposes of determining the tangible property ratio under par. (a), any waste treatment plant or pollution abatement equipment, regardless of s. 71.04 (2b) or 71.05 (1) (g) and whether located within or without Wisconsin, shall be valued at Wisconsin tax cost less accumulated depreciation otherwise deductible. For purposes of determining the cost of manufacturing ratio under par. (b) only depreciation otherwise deductible on the cost of any waste treatment plant or pollution abatement equipment shall be included, regardless of s. 71.04 (2b) or 71.05 (1) (g) and whether such plant or equipment is located within or without Wisconsin.

SECTION 11. 76.02 (10) of the statutes is amended to read:

76.02 (10) The property taxable under s. 76.13 shall include all franchises, and all real and personal property of the company used or employed in the operation of its business, except such motor vehicles as are exempt

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under s. 70.112 (5) *and treatment plant and pollution abatement equipment exempt under s. 70.11 (21) (a)*. The taxable property shall include all title and interest of the company referred to in such property as owner, lessee or otherwise, and in case any portion of the property is jointly used by 2 or more companies, the unit assessment shall include and cover a proportionate share of that portion of the property jointly used so that the assessments of the property of all companies having any rights, title or interest of any kind or nature whatsoever in any such property jointly used shall, in the aggregate, include only one total full value of such property.

Approved November 7, 1969.
