
Wisconsin Legislative Council

AMENDMENT MEMO



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2019 Assembly Bill 873

Assembly Substitute Amendment 1 and Assembly Amendment 4 to Assembly Substitute Amendment 1

2019 ASSEMBLY BILL 873

2019 Assembly Bill 873 creates a refundable income and franchise tax credit, called the farm buildings credit, that may be claimed by a farmer or an entity actively engaged in farming. The amount of the credit is calculated as a specified fraction of the most recent assessed value of the claimant's buildings and improvements that are used exclusively for farming, but excluding residential property.

The maximum amount of credit that may be claimed in a taxable year is \$7,500 for an individual or for a married couple filing jointly.

For taxable years beginning after December 31, 2019, and before January 1, 2021, the bill allows a claimant to claim the credit by filing an online claim in lieu of filing a return.

The bill provides a new sum-sufficient appropriation to make payments of the refundable portion of the farm buildings credit.

ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Substitute Amendment 1 creates the same farm buildings credit with the following modifications:

- Clarifies that, when determining the most recent assessed value of the relevant buildings and improvements, the claimant uses the assessed value that is associated with the most recent property tax bill.
- Allows a claimant to utilize the online claim process for all taxable years.
- Directs the Department of Revenue (DOR) to process all online claims as expeditiously as possible.
- In lieu of providing a new sum-sufficient appropriation, derives funds for payment of the refundable portion of the farm buildings credit from an existing sum-sufficient appropriation for another credit (the farmland preservation credit).

ASSEMBLY AMENDMENT 4 TO ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Amendment 4 to Assembly Substitute Amendment 1 makes the following changes to the substitute amendment:

- Establishes the maximum credit for a married individual filing separately as \$3,750 and the maximum credit for any other claimant as \$7,500.

- Specifies that if a person acquires or transfers ownership of a farm during a taxable year for which a farm buildings credit may be claimed, the person may claim the credit based on the assessed value prorated in proportion to the period of time the person owned the farm.
- Clarifies that the amount of the allowable credit reflected in a return must be reduced by the amount of any credit received previously from filing an online claim.
- Requires DOR to request from each assessor, and requires each assessor to provide, an annual list of all buildings and improvements that are eligible for the farm buildings credit.
- Clarifies that all of the eligibility requirements for claiming the credit in a return apply to claiming the credit by filing an online claim.
- Adjusts the timing of DOR processing online claims to July 1 following the tax year in question, instead of requiring processing as expeditiously as possible.

BILL HISTORY

2019 Assembly Bill 873 was introduced by Representative Tranel and others on February 10, 2020, and referred to the Assembly Committee on Agriculture. On February 11, 2020, the Assembly Committee on Agriculture recommended passage of the bill by a vote of Ayes, 15; Noes, 0.

Assembly Substitute Amendment 1 was introduced by the Joint Committee on Finance on February 17, 2020. On that same day, the Joint Committee on Finance recommended adoption of Assembly Substitute Amendment 1, and passage of the bill, as amended, by votes of Ayes, 14; Noes, 0.

Assembly Amendment 4 to Assembly Substitute Amendment 1 was introduced by Representative Tranel on February 20, 2020. On that same day, the Assembly adopted Assembly Amendment 4 to Assembly Substitute Amendment 1, and adopted Assembly Substitute Amendment 1, as amended, by voice votes. The Assembly then passed the bill, as amended, by a vote of Ayes, 99; Noes, 0.

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