



1997 ASSEMBLY BILL 824

February 24, 1998 - Introduced by Representative BLACK. Referred to Committee on Ways and Means.

1 **AN ACT** *to renumber and amend* 79.10 (5) (a); *to amend* 20.835 (3) (q), 71.07
2 (3m) (c) 1., 71.07 (9) (b), 71.28 (2m) (c) 1., 71.47 (2m) (c) 1., 79.10 (7m) (b) 1. a.,
3 79.10 (11) (b) and 79.14; and *to create* 20.835 (3) (c) of the statutes; **relating**
4 **to:** the funding for the property tax credits and general school aid, increasing
5 the farmland tax relief credit, increasing the school property tax credit for
6 renters and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, total payments of the school levy tax credit are \$469,305,000 in 1997. Under this bill, the total payments of that credit are \$319,305,000 thereafter.

This bill provides that the amount to be distributed as general school aid in the 1997-98 fiscal year will be no more than \$2,713,095,700.

Under current law, the school property tax credit may be claimed by certain individuals. The credit is nonrefundable, meaning that the amount of the credit that may be claimed may equal, but may not exceed, the amount of income taxes for which the claimant would otherwise be liable. Generally, the credit that may be claimed is calculated as an amount of up to 10% of the first \$2,000 of property taxes paid, or rent constituting property taxes that is paid.

Under this bill, the credit that may be claimed by renters is increased, and is calculated as an amount of up to 17% of the first \$2,000 of rent constituting property taxes that is paid.

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Under current law, the farmland tax relief credit may be claimed by individuals and corporations if the farmland to which the claim relates meets certain acreage and gross farm profits requirements. The credit is refundable, meaning that if the amount of the credit to which the claimant is entitled exceeds the claimant's tax liability, the difference is refunded to the claimant by check. In general, a claimant under current law may claim a credit of 10% of the property taxes accrued on the farmland in the taxable year to which the claim relates, up to a maximum claim of \$1,000, except that the amount of the credit and the amount of the farmland preservation credit to which the claimant may also be entitled may not exceed 95% of the property taxes accrued on the farm.

Under this bill, the farmland tax relief credit that may be claimed is 50% of the property taxes accrued on the farmland in the taxable year to which the claim relates. The \$1,000 maximum credit is repealed.

Under current law, the funds available for payments of the lottery credit are the lottery proceeds and interest minus certain expenditures. This bill adds \$861,000,000 in general purpose revenue to the amount of funds available for payments of that credit.

For further information see the *state and local* 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.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

3		1997-98	1998-99
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4 **20.835 Shared revenue and tax relief**

5 (3) STATE PROPERTY TAX CREDITS

6	(c) <i>Lottery credit supplement</i>	GPR	A	861,000,000	861,000,000
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7 **SECTION 2.** 20.835 (3) (c) of the statutes is created to read:

8 20.835 (3) (c) *Lottery credit supplement.* The amounts in the schedule to make
9 payments under s. 79.10 (5).

10 **SECTION 3.** 20.835 (3) (q) of the statutes is amended to read:

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1 20.835 (3) (q) *Lottery credit.* From the lottery fund, ~~a sum sufficient~~ all existing
2 and projected lottery proceeds and interest for the fiscal year of the distribution, less
3 the amount estimated to be expended under par. (r), sub. (2) (q) and ss. 20.455 (2) (r)
4 and 20.566 (2) (r), and less the required reserve under s. 20.003 (5), to make the
5 payments under s. 79.10 (5).

6 **SECTION 4.** 71.07 (3m) (c) 1. of the statutes is amended to read:

7 71.07 (3m) (c) 1. Any claimant may claim against taxes otherwise due under
8 this chapter ~~10%~~ 50% of the property taxes accrued in the taxable year to which the
9 claim relates, ~~up to a maximum claim of \$1,000,~~ except that the credit under this
10 subsection plus the credit under subch. IX may not exceed 95% of the property taxes
11 accrued on the farm.

12 **SECTION 5.** 71.07 (9) (b) of the statutes is amended to read:

13 71.07 (9) (b) Subject to the limitations under this subsection, a claimant may
14 claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, 10%
15 of the first \$2,000 of property taxes or 17% of the first \$2,000 of rent constituting
16 property taxes, or 10% of the first \$1,000 of property taxes or 17% of the first \$1,000
17 of rent constituting property taxes of a married person filing separately.

18 **SECTION 6.** 71.28 (2m) (c) 1. of the statutes is amended to read:

19 71.28 (2m) (c) 1. Any claimant may claim against taxes otherwise due under
20 this chapter ~~10%~~ 50% of the property taxes accrued in the taxable year to which the
21 claim relates, ~~up to a maximum claim of \$1,000,~~ except that the credit under this
22 subsection plus the credit under subch. IX may not exceed 95% of the property taxes
23 accrued on the farm.

24 **SECTION 7.** 71.47 (2m) (c) 1. of the statutes is amended to read:

ASSEMBLY BILL 824**SECTION 7**

1 71.47 **(2m)** (c) 1. Any claimant may claim against taxes otherwise due under
2 this chapter ~~10%~~ 50% of the property taxes accrued in the taxable year to which the
3 claim relates, ~~up to a maximum claim of \$1,000~~, except that the credit under this
4 subsection plus the credit under subch. IX may not exceed 95% of the property taxes
5 accrued on the farm.

6 **SECTION 8.** 79.10 (5) (a) of the statutes is renumbered 79.10 (5) and amended
7 to read:

8 79.10 **(5)** LOTTERY CREDIT. Each municipality shall receive, from the
9 ~~appropriation~~ appropriations under s. 20.835 (3) (c) and (q), an amount determined
10 by multiplying the school tax rate by the estimated fair market value, not exceeding
11 the value determined under sub. (11), of every parcel of taxable property on which
12 a principal dwelling is located in the municipality and for which a claim for the credit
13 under sub. (9) (bm) is made by the owner of the principal dwelling.

14 **SECTION 9.** 79.10 (7m) (b) 1. a. of the statutes is amended to read:

15 79.10 **(7m)** (b) 1. a. The amount determined under sub. (5) with respect to
16 claims filed for which the town, village or city has furnished notice under sub. (1m)
17 by March 1 shall be distributed from the ~~appropriation~~ appropriations under s.
18 20.835 (3) (c) and (q) by the department of administration on the 4th Monday in
19 March.

20 **SECTION 10.** 79.10 (11) (b) of the statutes is amended to read:

21 79.10 **(11)** (b) Before October 16, the department of administration shall
22 determine the total funds available for distribution under the lottery credit in the
23 following year and shall inform the joint committee on finance of that total. Total
24 funds available for distribution shall be ~~all existing and projected lottery proceeds~~
25 ~~and interest for the fiscal year of the distribution, less the amount estimated to be~~

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1 expended under ss. ~~20.455 (2) (r), 20.566 (2) (r) and 20.835 (2) (q) and (3) (r)~~ and less
2 the required reserve under s. ~~20.003 (5)~~ are the amounts in the appropriation
3 accounts under s. 20.835 (3) (c) and (q) for the fiscal year of the distribution. The joint
4 committee on finance may revise the total amount to be distributed if it does so at
5 a meeting that takes place before November 1. If the joint committee on finance does
6 not schedule a meeting to take place before November 1, the total determined by the
7 department of administration shall be the total amount estimated to be distributed
8 under the lottery credit in the following year.

9 **SECTION 11.** 79.14 of the statutes is amended to read:

10 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b) is
11 \$319,305,000 in 1994, 1995 and 1996 and is, \$469,305,000 in 1997 and \$319,305,000
12 thereafter.

13 **SECTION 12. Nonstatutory provisions.**

14 (1) GENERAL SCHOOL AID. Notwithstanding section 20.001 (3) (d) of the statutes
15 and sections 20.255 (2) (ac) and 121.15 (3m) of the statutes, in the 1997-98 fiscal year
16 the amount distributed from the appropriation under section 20.255 (2) (ac) of the
17 statutes shall be no more than \$2,713,095,700.

18 **SECTION 13. Initial applicability; revenue.**

19 (1) LOTTERY CREDIT. The treatment of sections 20.835 (3) (c) and (q) and 79.10
20 (5) (a), (7m) (b) 1. a. and (11) (b) of the statutes first applies to payments made during
21 1998.

22 (2) FARMLAND TAX RELIEF CREDIT. The treatment of sections 71.07 (3m) (c) 1.,
23 71.28 (2m) (c) 1. and 71.47 (2m) (c) 1. of the statutes first applies to taxable years
24 beginning on January 1 of the year in which this subsection takes effect.

