



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-4528/1
KRP&JK:ahc

2015 SENATE BILL 689

February 1, 2016 – Introduced by Senator GUDEX, cosponsored by Representatives NOVAK and HINTZ. Referred to Committee on Revenue, Financial Institutions, and Rural Issues.

1 **AN ACT** *to renumber and amend* 74.41 (4) (b); *to consolidate, renumber and*
2 *amend* 74.41 (4) (intro.) and (a); *to amend* 74.41 (1) (intro.), 74.41 (5) (a) and
3 74.41 (5) (b); and *to create* 74.41 (1m) and 74.41 (4r) of the statutes; **relating**
4 **to:** the charge-back of rescinded or refunded property taxes.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Revenue, upon application by a taxation district, to “charge back,” to the taxing jurisdictions within the taxation district, property taxes that the taxation district rescinded or refunded to taxpayers, so that each taxing jurisdiction pays back its share of the taxes to the taxation district. Under the bill, DOR also must determine whether the total value of all taxable property (equalized value) in the taxation district was affected by the rescinded or refunded property taxes and, if the equalized value was affected, adjust the equalized value. Under current law, DOR orders a charge-back or adjustment only after determining that the taxation district’s equalized value was affected, and then DOR orders either, but not both, of the options.

Under the bill, taxes levied on property within a tax incremental district are not eligible for a charge-back or adjustment.

The bill applies retroactively to an application submitted by a taxation district to DOR before the effective date of the bill if DOR has not issued a final determination, if the final determination is still subject to judicial review, or if DOR has not certified the amount of the charge-back or adjustment to the taxation district.

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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.** 74.41 (1) (intro.) of the statutes is amended to read:

2 74.41 (1) SUBMISSION OF REFUNDED OR RESCINDED TAXES TO DEPARTMENT. (intro.)
3 By October 1 of each year, the clerk of a taxation district may submit to the
4 department of revenue, on a form prescribed by the department of revenue, a listing
5 of all general property taxes on the taxation district's tax roll ~~which that~~, subject to
6 ~~sub.~~ subs. (1m) and (2), meet any of the following conditions:

7 **SECTION 2.** 74.41 (1m) of the statutes is created to read:

8 74.41 (1m) AMOUNT COLLECTED FROM PROPERTY IN A TAX INCREMENTAL DISTRICT.
9 A tax may not be included on a form submitted under sub. (1) if the tax was levied
10 on property within a tax incremental district, as defined in s. 66.1105 (2) (k), unless
11 the tax incremental district is in a decrement situation, as defined in s. 66.1105 (2)
12 (aj), in the year in which the tax was refunded, rescinded, collected, or corrected
13 under sub. (1) (a) to (d).

14 **SECTION 3.** 74.41 (4) (intro.) and (a) of the statutes are consolidated,
15 renumbered 74.41 (4) and amended to read:

16 74.41 (4) ~~AMOUNT-DETERMINED~~ ADJUSTMENT OF EQUALIZED VALUE. If the
17 department of revenue determines under sub. (3) that the equalized value of the
18 taxation district is changed as a result of consideration of the valuation represented
19 by the taxes under sub. (1), the department of revenue shall ~~do one of the following:~~
20 ~~(a) Adjust~~ adjust the equalized value of the taxation district under s. 70.57.

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1 **SECTION 4.** 74.41 (4) (b) of the statutes is renumbered 74.41 (4g) and amended
2 to read:

3 74.41 **(4g)** CHARGE-BACK AMOUNT DETERMINED. ~~Determine~~ The department of
4 revenue shall, by the November 15 following submission of the form under sub. (1),
5 determine the amount of rescinded or refunded taxes to be charged back to, and
6 collected from, each taxing jurisdiction for which taxes were collected by the taxation
7 district, and determine the amount of taxes collected under s. 74.33 to be shared with
8 each taxing jurisdiction for which taxes were collected by the taxation district.
9 Except for interest on refunds under s. 70.511 (2) (b) that is paid with respect to
10 property that was assessed under s. 70.995 and that is not paid by the department
11 of administration under s. 70.511 (2) (bm), the amount determined may not include
12 any interest.

13 **SECTION 5.** 74.41 (4r) of the statutes is created to read:

14 74.41 **(4r)** CHARGE BACK TO TAXING JURISDICTIONS. If the department of revenue
15 determines under sub. (4g) that rescinded or refunded taxes are attributable to
16 certain taxing jurisdictions, the department of revenue shall charge back the
17 amounts as provided in sub. (5).

18 **SECTION 6.** 74.41 (5) (a) of the statutes is amended to read:

19 74.41 **(5)** (a) The department of revenue shall certify to the clerk of the taxation
20 district the ~~amount determined~~ amounts to be adjusted or charged back under sub.
21 (4) (a) or ~~(b)~~ (4r) and shall furnish a copy of the certification to each affected taxing
22 jurisdiction.

23 **SECTION 7.** 74.41 (5) (b) of the statutes is amended to read:

24 74.41 **(5)** (b) Each taxing jurisdiction to which an amount is charged back under
25 sub. ~~(4) (b)~~ (4r) shall pay the amount certified under par. (a) to the taxation district

SENATE BILL 689**SECTION 7**

1 treasurer by February 15 of the year following the determination under sub. ~~(3)~~ (4g).
2 By February 15 of the year following the determination under sub. ~~(3)~~ (4g), the
3 taxation district treasurer shall pay the amounts to be shared with other taxing
4 jurisdictions.

SECTION 8. Nonstatutory provisions.

6 (1) With respect to a form submitted under section 74.41 (1), 2013 stats., before
7 the effective date of this subsection to which any of the following applies, the
8 department of revenue shall make the determination under section 74.41 (4g), as
9 affected by this act, in addition to the determination under section 74.41 (3), 2013
10 stats., and, depending on the outcome of those determinations, take the applicable
11 actions under section 74.41 (4), as affected by this act, and section 74.41 (4r), as
12 created by this act:

13 (a) The department of revenue has not made a final determination under
14 section 74.41 (3), 2013 stats., with respect to the taxes included on the form.

15 (b) The department of revenue's final determination under section 74.41 (3),
16 2013 stats., is being reviewed under section 227.53.

17 (c) The department of revenue has not certified, under section 74.41 (5) (a),
18 2013 stats., to the clerk of the taxation district the amount determined under section
19 74.41 (4) (a) or (b), 2013 stats.

SECTION 9. Initial applicability.

21 (1) Except as provided in SECTION 8 of this act, this act first applies to a form
22 submitted by a taxation district under section 74.41 (1) on the effective date of this
23 subsection, regardless of the taxable year to which the form relates.

24

(END)