

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1894/2	Introduction Number AB-139
Subject	
Property tax exemption for property of a federally recognized tribe	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DOR/ Milda Aksamitauskas (608) 261-5173	Blair Kruger (608) 266-1310
Date	
3/18/2005	

Fiscal Estimate Narratives

DOR 3/18/2005

LRB Number	05-1894/2	Introduction Number	AB-139	Estimate Type	Original
Subject					
Property tax exemption for property of a federally recognized tribe					

Assumptions Used in Arriving at Fiscal Estimate

Real property held by the federal government in trust for American Indian tribes or bands is not subject to state and local taxation. Also, real property owned by federally recognized tribes and located on the tribe's reservation is not subject to property taxes.

Under the bill, real property owned by a federally recognized American Indian tribe or band would be exempt from property taxes. The bill's fiscal effect would be the exemption of tribal land located off the reservation. In addition, owners of American Indian property would not have to report their property values for the statutory summary of tax exemption devices under the bill.

Based on a survey of county treasurers, municipal assessors, Department appraisors, and tribes, the Department identified property owned by American Indian tribes that was subject to property taxes. In 2004, the equalized value of the property was about \$180 million and property taxes of about \$3 million were levied thereon. Under the bill, the \$3 million taxes would be shifted to other owners of taxable property. Taxable property owned by tribes is concentrated in Barron, Brown, Dane, Forest, Richland, Sauk, Sawyer, and Shawano counties.

The bill would require minor revisions to the Wisconsin Property Assessment Manual, various forms and publications, the cost of which would be absorbed.

State forestry tax collections would decrease by \$36,000 (\$180 million x 0.0002) under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (Forestry)			-36,000
TOTAL State Revenues		\$	\$-36,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-36,000	\$See
Agency/Prepared By		Authorized Signature	Date
DOR/ Milda Aksamitauskas (608) 261-5173		Blair Kruger (608) 266-1310	3/18/2005