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Details:

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on ... Housing (AC-Ho)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**
- Record of Comm. Proceedings ... **RCP**

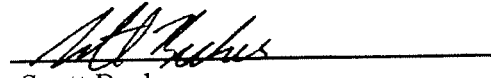
INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt**
- Clearinghouse Rules ... **CRule**
- Hearing Records ... bills and resolutions
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Mike Barman (LRB) (Aug/2010)

March 13, 2008

Failed to pass pursuant to Senate Joint Resolution 1.

A handwritten signature in black ink, appearing to read "Scott Becher", is written over a solid horizontal line.

Scott Becher
Committee Clerk





Wisconsin REALTORS® Association
 e-mail: wra@wra.org | Web site: www.wra.org

Roger Rushman, Chairman, April 12, 2007
 e-mail: rushman@firstweber.com
 William Malkasian, CAE, President
 e-mail: wem@wra.org

Memorandum

To: Members, Assembly Housing Committee
From: Tom Larson
Date: April 11, 2007
Re: AB 95 – Exempting Siblings From the Real Estate Transfer Tax

The Wisconsin REALTORS® Association (WRA) requests your support for AB 95, legislation that will exempt siblings from Wisconsin’s real estate transfer tax.

Background

The real estate transfer fee (RETF) was created in 1969 to improve local property assessment practices. The RETF, together with the real estate transfer return, were created to provide local real estate assessors with a means of obtaining valuable market data from real property sales. To achieve this goal, the questions on the real estate transfer return form were drafted in such a way that the assessor could determine whether the sale was an arm’s length transaction that could be used for comparative sales purposes. The original RETF was used to help fund the collection and distribution of the real estate sales data. Because this fee was being used for purposes directly related to real estate transactions (i.e., the collection of sales data), the WRA supported the original fee.¹

AB 95

The WRA supports AB 95 because it is consistent with:

- The original intent of the RETT – As indicated above, the original purpose of the RETT was to generate revenue from arm’s length real estate transactions to help fund the collection of real estate sales data for assessment purposes. A transaction between siblings, however, is not an arm’s length transaction and, therefore, should not be subject to the RETT.
- Other exemptions between family members under current law – Exempting conveyances between siblings from the RETT is consistent with other exemptions between family members such as transfers between:
 - Husband and wife
 - Parent and child
 - Stepparent and stepchild
 - Parent and son-in-law, and
 - Parent and daughter-in-law

We encourage you to support AB 95. If you have any questions, please contact me at (608) 240-8254.

¹ In 1985, the fee was increased to \$3 per \$1,000 and was no longer used exclusively for the collection and distribution of real estate sales data. Instead, the revenue generated from the fee became a source of general purpose revenue, which was and continues to be inconsistent with the original intent of the fee.







STATE REPRESENTATIVE
GARY HEBL
46TH ASSEMBLY DISTRICT

TESTIMONY ON AB 95
5/3/2007

Chairman Wieckert and members of the Housing Committee:

Thank you for allowing me the opportunity to testify in favor of my bill, AB 95. This legislation, which has bipartisan support, promotes economic development and enhances family relations between brothers and sisters. Under current law, a transfer of real estate between a husband and wife is exempt from the real estate transfer fee. A transfer of real estate for nominal or no consideration between parents and children is also exempt from the fee. In my opinion, I believe brothers and sisters should have the same benefits these other family relationships currently receive – and with this bill, they would enjoy the same rights.

There are a number of important reasons why this modest legislation would be beneficial to working families. By eliminating the real estate transfer fee to siblings, we would be enhancing family relations between brothers and sisters, and eliminating an unnecessary tax that puts an undue burden on working families. **Buying and selling of property is expensive enough, the State of Wisconsin should not make it more expensive by taxing brothers and sisters who reach out to each other by sharing their resources.** This is a fee that is assessed on ordinary people in ordinary circumstances. Just one obvious example of this is with family farms that have been in families for generations. **The State of Wisconsin should make it easier – not more difficult – for these families to transfer property.**

In these tight budget times, cost is always a significant concern. Unfortunately, because real estate transfers between relatives are not tabulated it is difficult to determine exactly how much revenue this transfer fee exemption would involve. However, in my experience as a lawyer, and as a member of this committee, I believe that the overall cost of this legislation would be limited.

I did want to mention that there was one technical concern raised by the Department of Revenue on the definition of sibling. And so as to alleviate any concerns on the committee about this issue, my office had a technical amendment drafted defining sibling as: “one of 2 or more individuals who have at least one common parent.”

I would like to thank Chairman Wieckert and the members of the committee once again for allowing me the opportunity to hear me on this bill. I would appreciate your measured consideration of its merits, and I would be happy to answer any questions members of the committee may have.