

STATE OF WISCONSIN
REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS
2009 ASSEMBLY BILL 302

[Introduced by Representatives Jorgensen, Kaufert, Radcliffe, Kerkman, A. Ott, Meyer, Brooks, Ripp, Milroy, J. Ott, Petrowski, Vos, Hilgenberg, Nerison, Bies, Hraychuck, Spanbauer and Gunderson; cosponsored by Senators Holperin, Olsen, Wirch, Erpenbach, Lehman, Plale, Grothman, Hansen and Hopper.]

General Nature of Proposal

2009 Assembly Bill 302 provides a property tax exemption for personal property owned by a snowmobile club if the snowmobile club is exempt from taxation under s. 501 (c) (3) of the Internal Revenue Code. This property tax exemption would first apply to assessments as of January 1, 2009.

Legality Involved

There are no questions of legality involving the bill described in this report.

Fiscal Effect Upon the State and Its Subdivisions

The Department of Revenue describes the fiscal effect of 2009 Assembly Bill 302 as decreasing existing state revenues and having an indeterminate effect on local units of government. In its analysis, the department states:

Based on information from the Association of Wisconsin Snowmobile Clubs, there are over 600 snowmobile clubs in the state. The Department of Revenue (DOR) does not have sufficient access to personal property assessment rolls to permit an estimate of the amount of personal property currently owned by snowmobile clubs. In addition, the DOR does not have data on how many of these clubs are exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code. Therefore, the DOR is unable to reasonably estimate the amount of personal property that could become exempt under the bill.

To the extent that snowmobile club property becomes exempt under the bill, property taxes on other property will increase. The state forestation tax will also decrease by about \$0.17 per \$1,000 of full value of the property that becomes exempt under the bill.

DOR would incur no significant administrative costs under the bill.

Public Policy Involved

The bill is good public policy.

02/16/10

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