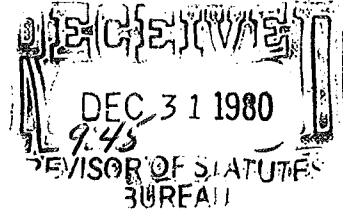


Tax 12.50

CERTIFICATE OF EMERGENCY RULE ADOPTION

STATE OF WISCONSIN)
DEPARTMENT OF REVENUE) SS

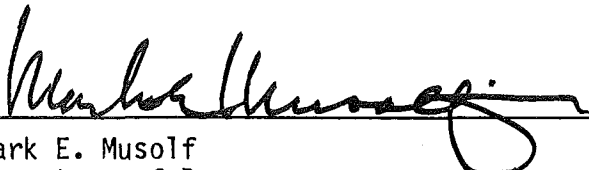


TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Mark E. Musolf, Secretary of the Department of Revenue and custodian of the official records of said department do hereby certify that the annexed emergency rules relating to property tax exemptions for solar and wind energy systems were duly approved and adopted by this department on December 31, 1980.

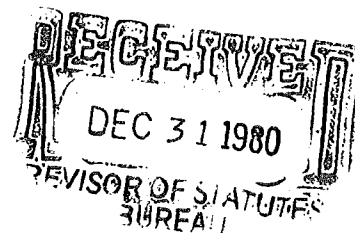
I further certify that said copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY, WHEREOF, I have hereunto set my hand at 125 South Webster Street in the City of Madison, this 31st day of December, 1980.



Mark E. Musolf
Secretary of Revenue

ORDER OF THE DEPARTMENT OF REVENUE
ADOPTING EMERGENCY RULES



Relating to rules concerning:

Property tax exemption of solar and wind energy systems.

Analysis prepared by Wisconsin Department of Revenue:

Chapter 349, Laws of 1979 created a property tax exemption under s. 70.111(18) Wisconsin Statutes to encourage the use of non-polluting solar and wind energy systems thereby conserving nonrenewable energy sources. As written, it is possible that the law could be construed to exempt only those systems which are classified as personal property. The purpose of Tax Rule 12.50 clarifies that the exemption applies whether the systems are deemed personal property or are so affixed to the realty as to be classified as real estate.

The emergency rule sets out the procedures for claiming the exemption, when valid, and that prior certification is necessary by the department of industry, labor & human relations. Owners of solar and wind energy systems must submit claims for exemption to the assessor no later than April 1 following the assessment date on forms prescribed by the department of revenue.

Pursuant to authority vested in the department of revenue by s. 227.011 Wis. Stats., the department hereby adopts rules interpreting section 70.111(18) Wis. Stats., as follows:

Section Tax Rule 12.50 of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

TAX 12.50. Exempt solar and wind energy systems. (s. 70.111(18), Stats.)

(1) APPLICABILITY. The general property tax exemption applies whether the solar and wind energy systems certified by the department of industry, labor and human relations under s. 101.57(4), Stats., are deemed personal property or are so affixed to the realty as to be classified as real estate.

(2) CLAIMS FOR EXEMPTION, PROCEDURE. Upon certification by the department of industry, labor and human relations the owner of the solar and wind energy system shall submit a claim for exemption on forms prescribed by the department of revenue to the assessor for the taxation district in which the system is located.

(3) WHEN VALID. An exemption shall become effective when both of the following conditions are met:

(a) The certification under s. 101.57(4), Stats., shall be effective prior to the January 1 assessment date for which the exemption is claimed.

(b) The claim for exemption shall be submitted to the assessor no later than the April 1 immediately following the assessment date for which the exemption is claimed.

The rule contained in this order shall take effect upon publication in the official state newspaper pursuant to the authority granted by section 227.027(1) Wis. Stats., as an emergency rule.

FINDING OF EMERGENCY

The Department of Revenue finds that an emergency exists and that the attached rule is necessary for the immediate preservation of public peace, health, safety or welfare. A statement of the facts constituting the emergency is:

Chapter 349 Laws of 1979 specified an effective date of January 1, following publication. In order to qualify for the exemption, owners of solar or wind energy systems must be certified by the department of industry, labor and human relations prior to January 1, 1981. To effect an orderly transition of this property tax exemption for the 1981 assessment year it is necessary to establish the forms and procedures that will govern subsequent property tax administration.

Dated December 31, 1980

DEPARTMENT OF REVENUE

By


Mark E. Musolf
Secretary of Revenue

NOTE
TAX RULE 12.50

Pursuant to s. 227.024(4) the department of revenue shall make available, at no cost, copies of forms required by the proposed rule upon request. Please address inquiries for additional information to:

TAX RULE 12.50
Division of State/Local Finance
Department of Revenue
125 South Webster Street
Madison, Wisconsin 53702

LRB or Bill No./Adm. Rule No.
TAX 12.50
Amendment No. if Applicable

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject
Property Tax Exemption for Solar and Wind Energy Systems

Fiscal Effect
State: Increase Existing Appropriation Increase Costs — May Be Possible to Absorb Within Agency's Budget Yes No
 Decrease Existing Appropriation
 Create New Appropriation
 Increase Existing Revenues Decrease Costs
 Decrease Existing Revenues No State Fiscal Effect

Local:

1. Increase Costs 3. Increase Revenues 5. Types of Local Governmental Units Affected:
 Permissive Mandatory Permissive Mandatory Towns Villages Cities
2. Decrease Costs 4. Decrease Revenues
 Permissive Mandatory Counties Others _____

Fund Sources Affected
 GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The following assumptions were used to develop this fiscal estimate:

1. There are approximately 1,000 properties randomly distributed throughout Wisconsin with qualifying renewable energy resource systems. (As of October, 1980)
2. The average cost of qualifying equipment is \$5,500.
3. Assessments on these properties (if any) would be reduced by the amount of the assessment (if any) placed on the renewable energy resource system.
4. The amount of taxes shifted locally would be equal to the amount of the assessment reduction times the 1979 statewide average effective real estate tax rate (.01865).
5. The revenue loss to the state reforestation fund is equal to .0002 times the loss of tax base.

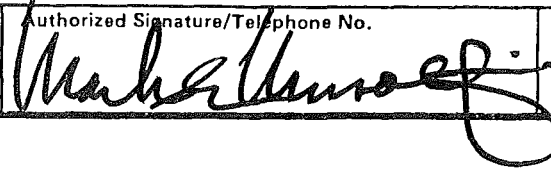
Given these assumptions, the bill would reduce state reforestation tax collections by about \$1,100 annually. At the local level, minor administrative cost increases might result. Property taxes amounting to about \$103,000 per year would be shifted from owners of qualifying solar devices to other property owners. Administrative costs for the Department of Revenue are expected to be minimal and can be absorbed within the existing agency budget.

Long-Range Fiscal Implications

The fiscal effect of this exemption will increase as more structures are built with or install solar and wind energy systems.

Agency
Revenue

Authorized Signature/Telephone No.



Date

ORIGINAL
 CORRECTED

UPDATED
 SUPPLEMENTAL

LRB or Bill No.
TAX 12.50

Amendment No.

Subject
Property Tax Exemption for Solar and Wind Energy System

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:		Annualized fiscal impact on State funds from:	
A. State Costs by Category		Note: Treat fiscal costs like a "checkbook"; increased costs reduce available funds (-) decreased costs increase available funds (+).	
		Increased Costs	Decreased Costs
Salaries and Fringes		\$ -	\$ +
Staff Support Costs		-	+
Other State Costs		-	+
Local Assistance		-	+
Aids to Individuals or Organizations		-	+
TOTAL State Costs by Category		\$ - 0	\$ +
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$ -	\$ +
FED		-	+
PRO/PRS		-	+
SEG/SEG-S		-	+
C. FTE Position Changes		Increased Pos.	Decreased Pos.
		+ (0)	- ()
III. State Revenues-Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.		Decreased Rev.	Increased Rev.
GPR Taxes		\$ -	\$ +
GPR Earned		-	+
FED		-	+
PRO/PRS		-	+
SEG/SEG-S		- 1100	+
TOTAL State Revenues		\$ - 1100	\$ +

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	- 1100	Total Revenues	+	-
NET Impact on State Funds	\$ (+) or (-) 1100		NET Impact on Local Funds	\$ (+) 10300 in local or property taxes shif. (-) to other proper- ty owners.	

Agency
Revenue

Authorized Signature/Telephone No.

Date



State of Wisconsin \ DEPARTMENT OF REVENUE

Lee Sherman Dreyfus
Governor

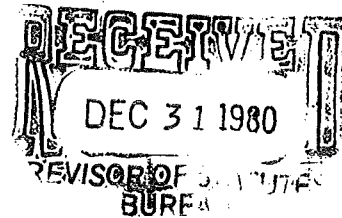
December 31, 1980

Mark E. Musolf
Secretary

125 SOUTH WEBSTER STREET
MADISON, WISCONSIN 53702

Ms. Vel Phillips
Secretary of State
244 West Washington Avenue
Madison, Wisconsin 53702

✓ Mr. Orlan L. Prestegard
Revisor of Statutes
411 West, State Capitol
Madison, Wisconsin 53702

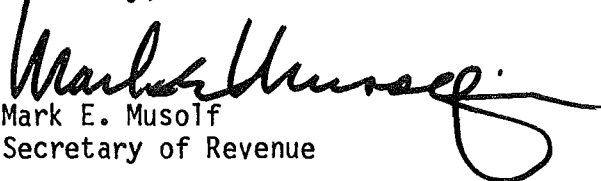


Dear Ms. Phillips and Mr. Prestegard:

Enclosed is a certified copy of the administrative rule adopted by the Department of Revenue and an Order of the Department of Revenue Adopting Emergency Rules.

These materials are filed with you pursuant to s. 227.023(1), Wis. Stats.

Sincerely,


Mark E. Musolf
Secretary of Revenue

MEM:1mm
Enclosures