

Chapter Tax 19

TAX RATE DISPARITY PAYMENTS

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Tax 19.01 Purpose. The purpose of this chapter is to establish standards and procedures for determining whether a town, village or city is eligible for a tax rate disparity payment under s. 79.05, Stats., and the computation of the payment.

History: Cr. Register, July, 1991, No. 427, eff. 8-1-91.

Tax 19.02 Scope. This chapter applies to all towns, villages and cities.

History: Cr. Register, July, 1991, No. 427, eff. 8-1-91.

Tax 19.03 General. (1) DEFINITIONS. In this section:

(a) "Average per capita full value for all municipalities" means an amount rounded to the nearest whole dollar which results from dividing:

1. The full value of the state including value increments under s. 66.46, Stats., for the year before the year of the statement; by

2. The population of the state for the same year.

(b) "Excess property tax levy rate" means the amount by which the property tax levy rate for a municipality exceeds the average property tax levy rate for all municipalities.

(c) "Increased over its municipal budget" means an amount, expressed as a percentage and rounded to 9 places beyond the decimal, which results from dividing:

1. The difference between the amount of the municipal operating budget for the year of the statement and the amount of the municipal operating budget for the year before the year of the statement; by

2. The amount of the municipal operating budget for the year before the year of the statement.

(d) "Less than 120%" means a percentage equal to or less than 119.999999999 that results from dividing the per capita full value for a municipality by the average per capita full value for all municipalities.

(e) "Per capita full value" means an amount rounded to the nearest whole dollar which results from dividing:

1. The full value of a municipality including the value increment under s. 66.46, Stats., for the year before the year of the statement; by

2. The population of that municipality for the same year.

(f) "Property tax levy rate" means an amount, expressed as a decimal and rounded to 9 places beyond the decimal, which results from dividing:

1. Municipal taxes only less the tax increment under s. 66.46, Stats.; by

2. The municipal full value less the tax incremental value under s. 66.46, Stats.

(g) "Special charge against the municipality" means that any overpayment of a tax rate disparity payment will be deducted from its next November payment of shared revenues.

(h) "Statewide average property tax levy rate" means an amount expressed as a decimal and rounded to 9 places beyond the decimal, which results from dividing:

1. The statewide total of municipal property taxes less the statewide total of tax increments under s. 66.46, Stats.; by

2. The state's full value less the statewide tax incremental value under s. 66.46, Stats.

(i) "Tax increment" means the sum of tax increments for all taxing jurisdictions as reported on the statement of taxes on the line entitled "tax increment."

(j) "Taxing jurisdiction" has the same meaning as in s. 74.01 (7), Stats.

(k) "The percentage change between the U.S. consumer price index" means an amount expressed as a percentage and rounded to 9 places beyond the decimal, which results from dividing:

1. The difference between the annualized index for the year before the year of the statement and the annualized index for the year prior to that year; by

2. The annualized index for the year prior to the year before the year of the statement.

(l) "The year of the statement" means the calendar year in which the statement under s. 79.015, Stats., is issued and is the year prior to the calendar year in which the tax rate disparity payment is to be made.

(m) "Total property tax levy" means the amount reported on the statement of taxes as "total town, village or city taxes levied."

(2) **ELIGIBILITY.** Any town, village or city shall receive a tax rate disparity payment if all of the following requirements are met:

(a) Its property tax levy rate established during the year before the year of the statement is greater than the average for all municipalities.

(b) The amount obtained by dividing the full value of its property for the year before the year of the statement by its population for the year before the year of the statement is less than 120% of the average for all municipalities.

(c) Its municipal budget, exclusive of principal and interest on long-term debt, for the year of the statement increased over its municipal budget, exclusive of principal and interest on long-term debt, for the year before that year by less than the percentage change under s. 79.05 (2) (c), Stats., plus 3%. For 1994 and subsequent years' payments plus 0%.

(3) **ELIGIBILITY UNDER SUB. (2) (a) AND (b).** The department of revenue shall determine whether a municipality meets the eligibility requirements under subs. (2) (a) and (b). If a municipality meets these eligibility requirements, the department of revenue shall send the tax rate disparity worksheet to the municipality which, when returned to the department of revenue, shall be used to determine if the municipality meets the requirement in sub. (2) (c).

Note: See s. Tax 19.04 for information about the tax rate disparity worksheet.

(4) **PAYMENT.** If the department of revenue determines that a municipality meets the requirements in sub. (2), it shall receive a tax rate disparity payment calculated by the department of revenue as follows:

(a) Subtract the statewide average property tax levy rate from the municipality's property tax levy rate.

(b) Multiply the amount under par. (a) by the municipality's full value including the value increment under s. 66.46, Stats.

(c) Divide the amount under par. (b) by the total of the amounts under par. (b) for all municipalities that qualify.

(5) **CORRECTIONS TO PAYMENTS.** The department of revenue will increase or decrease the subsequent year's distribution under subch. I, ch. 79, Stats., for any overpayments and underpayments.

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Tax 19.04. Tax rate disparity worksheet. (1) GENERAL. Each municipality that meets the requirements in s. Tax 19.03 (2) (a) and (b) shall receive from the department of revenue a tax rate disparity worksheet. The department's tax rate disparity worksheet shall be completed and returned to the department along with the budgets described in s. Tax 19.05.

(2) **PURPOSE.** The tax rate disparity worksheet shall be used by the department of revenue to determine if the municipality meets the eligibility requirement in s. Tax 19.03 (2) (c).

(3) **DUE DATE.** (a) For purposes of the 1991 tax rate disparity payment, the tax rate disparity worksheet shall be completed and returned to the department of revenue on or before July 1 of the year of the statement.

(b) For purposes of the 1992 and subsequent years' tax rate disparity payments, the department's tax rate disparity worksheet shall be completed and returned to the department of revenue on or before May 1 of the year of the statement.

(c) To be considered timely filed, the tax rate disparity worksheet, if mailed to the department of revenue, shall be mailed in a properly addressed envelope, postmarked before midnight of the due date in pars. (a) and (b) and received by the department of revenue not more than 5 days after the due date in pars. (a) and (b).

(4) **FAILURE TO COMPLY WITH SUB. (3).** If a municipality does not submit the information described in sub. (1), by the due dates under sub. (3), the department of revenue will not make the payment to that municipality the year after the year of the statement. If a municipality submits the information described in sub. (1) on or before August 15 of the second year following the year of the statement and that municipality qualifies for a tax rate disparity payment, the department will add the payment to its November payment.

History: Cr. Register, July, 1991, No. 427, eff. 8-1-91.

Tax 19.05 Budgets. (1) DEFINITIONS. In this section:

(a) "Long-term debt" means general obligation debt payable over a period that exceeds one year.

(b) "Municipal operating budget" means the total budget for all governmental funds, including interfund transfers, less the following adjustments:

1. Amounts included for debt service fund budgets.

2. That portion of the budget of any capital project fund which is financed by long-term debt, grant money or fund transfers.

(2) **GENERAL.** Municipalities that receive a tax rate disparity worksheet shall submit to the department of revenue the municipal operating budgets for the year of the statement and the preceding year. These budgets are due on or before the same dates as the tax rate disparity worksheet. The result of failing to file these budgets is the same as provided in s. Tax 19.04 (4).

(3) **CONTENT.** (a) The budgets shall include all of the following except as provided in par. (b):

1. All revenues, by major revenue source.

2. All expenditures, by major expenditure category.

3. Any financing source and use not included under subs. 1. and 2.

(b) For 1994 and subsequent years' payments, the budgets described in sub. (1) shall be summarized in compliance with s. 65.90, Stats., and in the format prescribed by the department of revenue.

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