



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Assembly Bill 89

**Assembly
Amendments 1, 2, and 3**

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Current law requires cities, villages, and towns to pay refunds for property taxes on manufacturing property that are found to be excessive to the owner of the property in one lump sum and, in addition, to pay interest on the amount of the refund at the rate of 9.6% annually.

Assembly Bill 89 provides an option for a city, village, or town to refund property taxes imposed on manufacturing property that are found to be excessive in **five annual installments**, rather than one lump sum. This installment method would be available if the property tax levy of the municipality for the year of the refund is less than \$100 million, the amount of the refund is at least one-quarter of 1% of the city, village, or town's property tax levy for general operations for the year of the refund, and if the amount of the refund is more than \$10,000. Assembly Bill 89 also revises the interest rate on manufacturing property tax refunds to be the lesser of the most recent six-month treasury bill rate (about 1.2% as of the date of this memorandum) or 10%. The bill would also require the state to reimburse cities, villages, and towns for interest paid on refunds of manufacturing property taxes.

Assembly Amendment 1 would allow municipalities that have a property tax levy of \$100 million or more to pay manufacturing property tax refunds in five annual installments under the bill if the municipality is required to pay three or more refunds of at least \$10,000 in the same calendar year.

Assembly Amendment 2 would require the state to reimburse cities, villages, and towns for interest paid on refunds of manufacturing property taxes only with respect to refunds of manufacturing property taxes where the property was assessed by the state. Therefore, if the provision to transfer the responsibility for assessing manufacturing property from the state to local governments on January 1, 2004, which is contained in 2003 Senate Bill 44, is enacted into law, the state would not be required to pay interest on manufacturing property tax refunds.

Assembly Amendment 3 is a technical amendment that incorporates and reconciles the provisions of Assembly Amendments 1 and 2.

Legislative History

The Assembly Committee on Ways and Means adopted Assembly Amendments 1 and 2 by a vote of Ayes, 13, Noes, 0, and recommended Assembly Bill 89, as amended, for passage by a vote of Ayes, 13, Noes, 0, on April 16, 2003.

Assembly Amendment 3 was offered by Representative M. Lehman on April 29, 2003. On October 21, 2003 the Assembly adopted Assembly Amendment 3, tabled Assembly Amendments 1 and 2 and, by voice vote, passed Assembly Amendment 3.

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