



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

<b>2005 Assembly Bill 498</b>	<b>Assembly Substitute Amendment 1 and Senate Amendment 1</b>
<i>Memo published:</i> November 1, 2005	<i>Contact:</i> Mary Matthias, Senior Staff Attorney (266-0932) William Ford, Senior Staff Attorney (266-0680)

Under **current law**, property owned and used exclusively by a “benevolent association” is exempt from property taxes. The fiscal estimate prepared by the Department of Revenue states that property owned by Goodwill Industries is typically treated as tax-exempt under the exemption for benevolent associations by local municipalities. However, according to testimony provided by representatives of Goodwill Industries, the tax-exempt status of property owned by Goodwill Industries has been challenged several times in recent years, on the grounds that Goodwill Industries is not a benevolent association. According to the testimony, Goodwill prevailed in each of these challenges and was eventually granted tax-exempt status.

**Assembly Bill 498** creates an income tax and franchise tax credit for the amount of property taxes paid on property in this state that is owned by Goodwill Industries, if the property is used for the purposes for which Goodwill Industries is organized and if no person receives pecuniary profit from the use of the property.

The credit first applies to taxable years beginning on January 1 of the year in which the bill takes effect, except that if it takes effect after July 31, it first applies to taxable years beginning on January 1 of the year following the year in which it takes effect.

**Assembly Substitute Amendment 1** provides, instead of an income tax and franchise tax credit, that all property owned by Goodwill Industries is exempt from property taxes, beginning with property tax assessments as of January 1, 2005.

**Senate Amendment 1** limits the amount of tax exempt land that may be claimed by Goodwill Industries to 10 acres in any municipality.

Assembly Bill 498 was introduced on June 14, 2005 by Representative Wieckert and others; cosponsored by Senator Roessler and others. On June 16, 2005, the Assembly Committee on Housing offered and recommended adoption of Assembly Substitute Amendment 1 on a vote of Ayes, 6; Noes, 0;

and voted to recommend adoption of Assembly Bill 498, as amended, on a vote of Ayes, 6; Noes, 0. On October 27, 2005 the Joint Committee on Finance offered and recommended passage of Senate Amendment 1 and recommended the bill, as amended, for passage by a vote of Ayes, 16; Noes, 0.

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