



1995 ASSEMBLY BILL 776

January 9, 1996 - Introduced by Representatives LEHMAN and BELL, by request of
The Department of Revenue. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 25.75 (1) (c) (intro.), 25.75 (2), 79.10 (7m) (a) 1., 79.10 (7m) (a)
2 2., 79.10 (7m) (b) 1. a., 79.10 (7m) (b) 2. and 79.10 (10) (d); and **to create** 79.10
3 (10) (bm) and 79.10 (10) (f) of the statutes; **relating to:** payment of school tax
4 credit proceeds; a social security number requirement for audited lottery tax
5 credit claims; special charges relating to lottery credit claims; creating a
6 penalty for intentionally filing false lottery credit claims; state payment of
7 lottery credit proceeds.

Analysis by the Legislative Reference Bureau

Under current law, on the 4th Monday of July the state pays school tax credit proceeds to towns, villages and cities (municipalities), which distribute the funds to the county. Under this bill, the July school tax credit proceeds are paid to the municipality or county responsible for collecting taxes on the distribution date and that unit of government distributes the funds.

If the department of revenue (DOR) audits a lottery tax credit claim, the bill requires the lottery tax credit claimant to include his or her social security number in the claimant's response to an audit questionnaire.

Under current law, if DOR determines that a person has made an inappropriate claim for the lottery credit, a special charge is assessed against the property for which the credit was claimed and is collected as a delinquent property tax. Under this bill, if the owner of the property at the time the special charge is assessed was not the person who made the claim, DOR may dismiss the special charge.

This bill imposes a \$100 penalty on a person who intentionally files a false lottery credit claim. Current law does not impose any penalty for a false claim but does require the claimant to repay any credit that was improperly received.

Under current law, in 1994 and thereafter, the state pays lottery credit proceeds to municipalities on the 4th Monday in March. Final settlement of these proceeds between a municipality and its county must be completed by August 20. Under this bill, the March lottery credit proceeds are paid to the municipality or county responsible for collecting taxes on the distribution date and the treasurer for that political subdivision is directed to distribute the payment no later than April 15.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 25.75 (1) (c) (intro.) of the statutes is amended to read:

2 25.75 (1) (c) (intro.) "Lottery proceeds" means the remainder of the gross lottery
3 fund revenues after deducting all of the following:

4 **SECTION 2.** 25.75 (2) of the statutes, as affected by 1995 Wisconsin Act 27, is
5 amended to read:

6 25.75 (2) CREATION. There is created a separate nonlapsible trust fund known
7 as the lottery fund, to consist of gross lottery fund revenues received by the
8 department of revenue. Lottery fund revenues include gross lottery revenues and
9 penalties collected under s. 79.10 (10) (f).

10 **SECTION 3.** 79.10 (7m) (a) 1. of the statutes is amended to read:

11 79.10 (7m) (a) 1. The amount determined under sub. (4) shall be distributed
12 by the department of administration on the 4th Monday in July. The distribution
13 shall be made to the political subdivision, as defined in s. 66.432 (1m) (e), responsible
14 for collecting taxes on the distribution date.

15 **SECTION 4.** 79.10 (7m) (a) 2. of the statutes is amended to read:

16 79.10 (7m) (a) 2. The ~~town, village or city~~ treasurer shall settle for the amounts
17 distributed under this paragraph on the 4th Monday in July with the appropriate
18 ~~county treasurer not later than August 15~~ taxing jurisdictions on the date in August

1 when the treasurer settles for property taxes with the taxing jurisdictions. Failure
2 to settle timely under this subdivision subjects the ~~town, village or city~~ treasurer to
3 the penalties under s. 74.31. ~~On or before August 20, the county treasurer shall settle~~
4 ~~with each taxing jurisdiction, including towns, villages and cities except 1st class~~
5 ~~cities, in the county.~~

6 **SECTION 5.** 79.10 (7m) (b) 1. a. of the statutes is amended to read:

7 79.10 **(7m)** (b) 1. a. The amount determined under sub. (5) with respect to
8 claims filed for which the town, village or city has furnished notice under sub. (1m)
9 by March 1 shall be distributed from the appropriation under s. 20.835 (3) (q) by the
10 department of administration on the 4th Monday in March. The distribution shall
11 be made to the political subdivision, as defined in s. 66.432 (1m) (e), responsible for
12 collecting taxes on the distribution date.

13 **SECTION 6.** 79.10 (7m) (b) 2. of the statutes is amended to read:

14 79.10 **(7m)** (b) 2. The ~~town, village or city~~ treasurer shall settle for the amounts
15 distributed on the 4th Monday in March under this paragraph with each the
16 appropriate taxing jurisdiction ~~within the taxation district or provide the amounts~~
17 ~~distributed to the appropriate county treasurer for settlement jurisdictions~~ not later
18 than April 15. Failure to settle timely under this subdivision subjects the ~~town,~~
19 ~~village or city~~ treasurer to the penalties under s. 74.31. ~~On or before August 20, the~~
20 ~~county treasurer shall settle with each taxing jurisdiction, including towns, villages~~
21 ~~and cities except 1st class cities, in the county.~~

22 **SECTION 7.** 79.10 (10) (bm) of the statutes is created to read:

23 79.10 **(10)** (bm) If the department of revenue audits a lottery credit claim, the
24 claimant shall include the claimant's social security number on the claimant's
25 response to an audit questionnaire.

1 **SECTION 8.** 79.10 (10) (d) of the statutes is amended to read:

2 79.10 **(10)** (d) If the department of revenue determines that a credit was
3 claimed by a taxpayer who was not entitled to the credit for reasons other than that
4 the taxpayer failed to furnish the information required under par. (a), the
5 department of revenue shall ~~collect the credit as a special charge against the county~~
6 ~~where the property for which the credit was claimed is located.~~ The county shall
7 instruct the appropriate taxation district to collect the credit as a special charge on
8 the next property tax bill issued for the property. The department may dismiss the
9 special charge if the owner of the property did not make the claim for the credit.

10 **SECTION 9.** 79.10 (10) (f) of the statutes is created to read:

11 79.10 **(10)** (f) If a person intentionally files a false lottery credit claim under
12 sub. (9) (bm), that person shall be subject to a penalty of \$100. Each false claim
13 constitutes a separate offense. Penalties collected under this paragraph shall be
14 deposited in the lottery fund. Sections 71.91 and 71.93, as they apply to the taxes
15 under ch. 71, apply to the penalty under this paragraph.

16 **SECTION 9300. Initial applicability.**

17 (1) SCHOOL TAX CREDIT PAYMENT. The treatment of section 79.10 (7m) (a) 1. and
18 2. of the statutes first applies to property taxes levied in 1996.

19 (2) SOCIAL SECURITY NUMBER REQUIREMENT. The treatment of section 79.10 (10)
20 (bm) of the statutes first applies to property taxes levied in 1996.

21 (3) FALSE LOTTERY CREDIT CLAIMS. The treatment of sections 25.75 (1) (c) (intro.)
22 and (2) and 79.10 (10) (f) of the statutes first applies to property taxes levied in 1996.

23 **SECTION 9448. Effective dates; revenue.** This act takes effect on the day
24 after publication, except as follows:

