2011 SENATE BILL 60

April 15, 2011 – Introduced by Senators WANGGAARD, DARLING, SCHULTZ and LEIBHAM, cosponsored by Representatives PETRYK, SPANBAUER, BALLWEG and VOS. Referred to Committee on Economic Development and Veterans and Military Affairs.

1   AN ACT *to amend* 79.10 (1m) (b), 79.10 (6m) (a), 79.10 (7m) (cm) 1. a. and 79.10

2   (7m) (cm) 2. a.; and *to create* 20.835 (3) (bg), 74.09 (3) (b) 6g., 79.10 (2) (c), 79.10

3   (5g), 79.10 (7m) (cg), 79.10 (9) (bg), 79.10 (9) (c) 4. and 79.10 (12) of the statutes;

4   **relating to:** a property tax credit for business expansion and making an

5   appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a property tax credit for business expansion within a municipality. The credit is equal to the amount determined by multiplying the school tax rate by the estimated fair market value of improvements to real property and acquisitions of personal property made by owners of commercial or manufacturing property. The credit only applies to improvements and acquisitions that are made as part of a business expanding in the municipality and the business employs at least ten more employees than it did three months prior to applying for the credit. The credit may be claimed for two years.

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.** 20.835 (3) (bg) of the statutes is created to read:

2   20.835 **(3)** (bg) *Business expansion credit.* A sum sufficient to make the

3   payments under s. 79.10 (5g).

4   **SECTION 2.** 74.09 (3) (b) 6g. of the statutes is created to read:

5   74.09 **(3)** (b) 6g. The amount of the credit under s. 79.10 (5g) allocable to the

6   property for the previous year and the current year, and the percentage change

7   between those years.

8   **SECTION 3.** 79.10 (1m) (b) of the statutes is amended to read:

9   79.10 **(1m)** (b) Counties and municipalities shall submit to the department of

10   revenue all data related to the lottery and gaming credit, the business expansion

11   credit, and the first dollar credit as requested by the department of revenue.

12   **SECTION 4.** 79.10 (2) (c) of the statutes is created to read:

13   79.10 **(2)** (c) On or before December 1 of the year preceding the distribution

14   under sub. (7m) (cg) or (cm), the department of revenue shall notify the clerk of each

15   town, village, and city of the estimated fair market value used to calculate the

16   business expansion credit under sub. (5g) and of the amount to be distributed to it

17   under sub. (7m) (cg) or (cm). The anticipated receipt of such distribution shall not

18   be taken into consideration in determining the tax rate of the municipality but shall

19   be applied as tax credits.

20   **SECTION 5.** 79.10 (5g) of the statutes is created to read:

21   79.10 **(5g)** BUSINESS EXPANSION CREDIT. Each municipality shall receive, from

22   the appropriation under s. 20.835 (3) (bg), an amount determined by multiplying the

23   school tax rate by the estimated fair market value of improvements to real property

24   and acquisitions of personal property made by owners of real property classified as

25   commercial property under s. 70.32 (2) (a) 2. or manufacturing property under s.

1   70.32 (2) (a) 3. during the year for which a credit is claimed, if the improvements and

2   acquisitions are made as part of a business expanding in the municipality and the

3   business employs at least 10 more employees than it did 3 months prior to applying

4   for the credit under sub. (12).

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

6   79.10 **(6m)** (a) Except as provided in pars. (b) and (c), if the department of

7   administration or the department of revenue determines by October 1 of the year of

8   any distribution under subs. (4), (5), (5g), and (5m) that there was an overpayment

9   or underpayment made in that year's distribution by the department of

10   administration to municipalities, as determined under subs. (4), (5), and (5m),

11   because of an error by the department of administration, the department of revenue

12   or any municipality, the overpayment or underpayment shall be corrected as

13   provided in this paragraph. Any overpayment shall be corrected by reducing the

14   subsequent year's distribution, as determined under subs. (4), (5), (5g), and (5m), by

15   an amount equal to the amount of the overpayment. Any underpayment shall be

16   corrected by increasing the subsequent year's distribution, as determined under

17   subs. (4), (5), (5g), and (5m), by an amount equal to the amount of the underpayment.

18   Corrections shall be made in the distributions to all municipalities affected by the

19   error. Corrections shall be without interest.

20   **SECTION 7.** 79.10 (7m) (cg) of the statutes is created to read:

21   79.10 **(7m)** (cg) *Business expansion credit.* 1. Except as provided in par. (cm),

22   the amount determined under sub. (5g) shall be distributed from the appropriation

23   under s. 20.835 (3) (bg) by the department of administration to the counties on the

24   4th Monday in July.

1 2. Except as provided in par. (cm), the county treasurer shall settle for the

2 amounts distributed on the 4th Monday in July under this paragraph with each

3 municipality and taxing jurisdiction in the county not later than August 20. Failure

4 to settle timely under this subdivision subjects the county treasurer to the penalties

5 under s. 74.31.

6   SECTION 8. 79.10 (7m) (cm) 1. a. of the statutes is amended to read:

7   79.10 **(7m)** (cm) 1. a. If, in any year, the total of the amounts determined under

8 subs. (4), (5), (5g), and (5m) for any municipality is $3,000,000 or more, the

9 municipality, with the approval of the majority of the members of the municipality's

10 governing body, may notify the department of administration to distribute the

11 amounts directly to the municipality and the department of administration shall

12 distribute the amounts at the time and in the manner provided under pars. (a) 1., (b)

13 1., and (c) 1.

14   SECTION 9. 79.10 (7m) (cm) 2. a. of the statutes is amended to read:

15   79.10 **(7m)** (cm) 2. a. The department of administration shall distribute the

16 amounts determined under subs. (4), (5), (5g), and (5m) directly to any municipality

17 that enacts an ordinance under s. 74.12 at the time and in the manner provided

18 under pars. (a) 1., (b) 1., and (c) 1.

19   SECTION 10. 79.10 (9) (bg) of the statutes is created to read:

20   79.10 **(9)** (bg) *Business expansion credit.* Except as provided ss. 79.175 and

21 79.18, a business expansion credit shall be allocated to every parcel of property or

22 personal property account described under sub. (5g) equal to the estimated fair

23 market value of such property described under sub. (5g) multiplied by the school tax

24 rate.

25   SECTION 11. 79.10 (9) (c) 4. of the statutes is created to read:

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1   79.10 **(9)** (c) 4. The credit under par. (bg) shall reduce the property taxes

2   otherwise payable.

3   **SECTION 12.** 79.10 (12) of the statutes is created to read:

4   79.10 **(12)** CLAIMING THE BUSINESS EXPANSION CREDIT. Beginning with the

5   property taxes levied in 2011, a person who owns property described under sub. (5g)

6   may claim the credit under sub. (5g) by applying for the credit on a form prescribed

7   by the department of revenue. The claimant shall file the application for the credit

8   with the treasurer of the county in which the property is located or, if the property

9   is located in a city that collects taxes under s. 74.87, the treasurer of the city in which

10   the property is located. Subject to review by the department of revenue, a treasurer

11   who receives a completed application shall direct that the property described in the

12   application be identified on the next 2 tax rolls as property for which the owner is

13   entitled to receive a business expansion credit under sub. (9) (bg). A claim made

14   under this subsection is valid for 2 years and may not be renewed.

15   **(END)**