



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1183/1
JK:kjf:cs

2015 BILL

1 **AN ACT to repeal** 20.835 (1) (e), 79.095, 121.06 (4) and 121.90 (2) (am) 2.; **to**
2 **amend** 70.11 (39), 70.17 (1), 73.06 (3), 121.004 (6), 121.15 (4) (a), 174.06 (5),
3 174.065 (3), 174.08 (1), 198.10 (1) and 200.13 (2); and **to create** 70.135 of the
4 statutes; **relating to:** eliminating the personal property tax.

Analysis by the Legislative Reference Bureau

This bill eliminates the property tax on personal property beginning in 2020. The bill also eliminates, in 2016, the state aid payments to taxing jurisdictions based on the value of computers and computer-related equipment that are exempt from the personal property tax and that are located in the taxing jurisdictions.

Under the bill, personal property placed in service on or after January 1, 2016, is not subject to the property tax. Personal property placed in service before January 1, 2016, is subject to the property tax based on the actual depreciated value of the property.

Beginning with the assessments as of January 1, 2020, no personal property is subject to the property tax. Under the bill, real property that was assessed as personal property prior to January 1, 2020, will be assessed as real property and real property placed in service on or after January 1, 2020, that would have been assessed as personal property prior to that date will be assessed as real property.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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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1 **SECTION 1.** 20.835 (1) (e) of the statutes is repealed.

2 **SECTION 2.** 70.11 (39) of the statutes is amended to read:

3 70.11 **(39)** COMPUTERS. If the owner of the property fulfills the requirements
4 under s. 70.35, mainframe computers, minicomputers, personal computers,
5 networked personal computers, servers, terminals, monitors, disk drives, electronic
6 peripheral equipment, tape drives, printers, basic operational programs, systems
7 software, and prewritten software. The exemption under this subsection does not
8 apply to custom software, fax machines, copiers, equipment with embedded
9 computerized components or telephone systems, including equipment that is used
10 to provide telecommunications services, as defined in s. 76.80 (3). ~~For the purposes~~
11 ~~of s. 79.095, the exemption under this subsection does not apply to property that is~~
12 ~~otherwise exempt under this chapter.~~

13 **SECTION 3.** 70.135 of the statutes is created to read:

14 **70.135 Personal property tax; sunset.** (1) Personal property placed in
15 service on or after January 1, 2016, is not subject to the property tax imposed under
16 this chapter.

17 (2) Subject to the exemptions under ss. 70.11 and 70.111, personal property
18 placed in service before January 1, 2016, is subject to the property tax imposed under
19 this chapter based on the property's depreciated value as reported under s. 70.35 or
20 as determined by the department of revenue.

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1 **(3)** Beginning with the assessments as of January 1, 2020, no personal property
2 is subject to the property tax imposed under this chapter, except that real property
3 that was assessed as personal property prior to January 1, 2020, and real property
4 that is placed in service on or after January 1, 2020, that would have been assessed
5 as personal property prior to January 1, 2020, shall be assessed as real property.

6 **SECTION 4.** 70.17 (1) of the statutes is amended to read:

7 **70.17 (1)** Real property shall be entered in the name of the owner, if known to
8 the assessor, otherwise to the occupant thereof if ascertainable, and otherwise
9 without any name. The person holding the contract or certificate of sale of any real
10 property contracted to be sold by the state, but not conveyed, shall be deemed the
11 owner for such purpose. The undivided real estate of any deceased person may be
12 entered to the heirs of such person without designating them by name. The real
13 estate of an incorporated company shall be entered in the same manner as that of an
14 individual. Improvements on leased lands ~~may, including all permanent fixtures,~~
15 shall be assessed either as real property or personal property, but leased lands are
16 not subject to liens for any unpaid taxes on the improvements.

17 **SECTION 5.** 73.06 (3) of the statutes is amended to read:

18 **73.06 (3)** The department of revenue, through its supervisors of equalization,
19 shall examine and test the work of assessors during the progress of their assessments
20 and ascertain whether any of them is assessing property at other than full value or
21 is omitting property subject to taxation from the roll. The department and such
22 supervisors shall have the rights and powers of a local assessor for the examination
23 of persons and property and for the discovery of property subject to taxation. If any
24 property has been omitted or not assessed according to law, they shall bring the same
25 to the attention of the local assessor of the proper district and if such local assessor

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1 shall neglect or refuse to correct the assessment they shall report the fact to the board
2 of review. If it discovers errors in identifying or valuing property that is exempt
3 under s. 70.11 (39) or (39m), the department shall change the specification of the
4 property as taxable or exempt and shall change the value of the property. All
5 disputes between the department, municipalities and property owners about the
6 taxability or value of property ~~that is reported under s. 79.095 (2) (a) that is exempt~~
7 under s. 70.11 (39) or (39m) or of the property under s. 70.995 (12r) shall be resolved
8 by using the procedures under s. 70.995 (8).

9 **SECTION 6.** 79.095 of the statutes is repealed.

10 **SECTION 7.** 121.004 (6) of the statutes is amended to read:

11 121.004 (6) NET COST. The “net cost” of a fund means the gross cost of that fund
12 minus all nonduplicative revenues and other financing sources of that fund except
13 property taxes, and general aid, ~~and aid received under s. 79.095 (4).~~ In this
14 subsection, “nonduplicative revenues” includes federal financial assistance under 20
15 USC 236 to 245, to the extent permitted under federal law and regulations.

16 **SECTION 8.** 121.06 (4) of the statutes is repealed.

17 **SECTION 9.** 121.15 (4) (a) of the statutes is amended to read:

18 121.15 (4) (a) In this subsection, “state aid” has the meaning given in s. 121.90
19 (2) ~~except that it excludes aid paid to school districts under s. 79.095 (4).~~

20 **SECTION 10.** 121.90 (2) (am) 2. of the statutes is repealed.

21 **SECTION 11.** 174.06 (5) of the statutes is amended to read:

22 174.06 (5) RECORDS. The listing official shall enter ~~in the records for personal~~
23 ~~property assessments,~~ or in a separate record, all dogs in the district subject to tax,
24 to whom they are assessed, the name, number, sex, spayed or unspayed, neutered or

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1 unneutered, breed and color of each dog. The listing official shall make in triplicate
2 a list of the owners of all dogs assessed.

3 **SECTION 12.** 174.065 (3) of the statutes is amended to read:

4 174.065 (3) COLLECTION OF DELINQUENT DOG LICENSE TAXES. Delinquent dog
5 license taxes may be collected in the same manner as provided for small claims in s.
6 ~~74.55 and ch. 799 for the collecting of personal property taxes.~~

7 **SECTION 13.** 174.08 (1) of the statutes is amended to read:

8 174.08 (1) Except as provided in sub. (2), every collecting official shall pay all
9 dog license taxes to the town, village, or city treasurer or other tax collecting officer
10 who shall deduct any additional tax that may have been levied by the municipal
11 governing body and pay the remainder to the county treasurer at the time settlement
12 is made with the county treasurer for collections of ~~personal~~ property taxes, and shall
13 at the same time report in writing to the county clerk the licenses issued. The report
14 shall be in the form prescribed by the department, and the forms shall be furnished
15 by the county clerks.

16 **SECTION 14.** 198.10 (1) of the statutes is amended to read:

17 198.10 (1) TAXABLE PROPERTY, TAXES. All real property situated in ~~and all~~
18 ~~personal property the situs of which for purposes of general property taxation is in~~
19 the district shall be subject to taxation in and by the district for a direct annual tax
20 sufficient to pay the interest on any indebtedness of the district, and to pay and
21 discharge the principal of the indebtedness within 20 years from the time of
22 contracting the indebtedness.

23 **SECTION 15.** 200.13 (2) of the statutes is amended to read:

24 200.13 (2) TAX LEVY. The commission may levy a tax upon the taxable property
25 in the district as equalized by the department of revenue for state purposes for the

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1 purpose of carrying out and performing duties under this subchapter but the amount
2 of any such tax in excess of that required for maintenance and operation and for
3 principal and interest on bonds or promissory notes shall not exceed, in any one year,
4 one mill for each dollar of the district's equalized valuation, as determined under s.
5 70.57. The tax levy may be spread upon the respective ~~real estate and personal~~
6 property tax rolls of the city, village and town areas included in the district taxes, and
7 shall not be included within any limitation on county or municipality taxes. Such
8 moneys when collected shall be paid to the treasurer of such district.

9 **SECTION 16. Initial applicability.**

10 (1) This act first applies to the property tax assessments as of January 1, 2016.

11 **SECTION 17. Effective date.**

12 (1) This act takes effect on January 1, 2016.

13 (END)