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# Wisconsin Legislative Council

## AMENDMENT MEMO

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**2021 Assembly Bill 2**

**Assembly  
Amendment 2**

### 2021 ASSEMBLY BILL 2

2021 Assembly Bill 2 makes various changes to the laws administered and enforced by the Department of Revenue (DOR). In summary, the bill:

- Modifies certain shared revenue payment and Consumer Price Index (CPI) calculation dates.
- Reduces the omitted tax property reporting threshold from \$5,000 to \$250.
- Increases the fee for filing a manufacturing property objection to assessment from \$45 to \$200.
- Alters the filing and determination dates for railroad companies to match that of other utilities.
- Decreases the interest paid on license fees paid by utilities from nine percent to three percent.
- Modifies annual training requirements for members of local boards of review.
- Permits DOR to determine fees for assessor certification based on actual cost, not to exceed \$75.
- Clarifies that the leasing of all or part of any property owned by a tax-exempt church or religious association or institution to an educational association or institution that is similarly tax exempt under Wisconsin law does not render the property taxable, regardless of how the lessor uses the leasehold income.
- Replaces certain obsolete references to the Internal Revenue Code (IRC) related to the disability income subtraction.
- Defines “earned income” and clarifies “primary income from farming” for the purposes of the homestead credit.
- Increases the time for providing corrections to DOR in relation to DOR final audit determinations from 90 days to 180 days.
- Modifies the historic rehabilitation tax credit transfer procedure to permit a person to file a claim in more than one year.
- Adopts various provisions of the IRC for the purposes of state income and franchise taxes.
- Modifies existing provisions and eliminates obsolete provisions related to the medical care insurance subtraction for self-employed individuals.
- Permits an individual to elect not to claim the qualified retirement plan exemption if it would result in the taxpayer receiving a larger homestead credit.
- Creates a sales and use tax exemption for certain property sold to and stored, used, or otherwise consumed by a construction contractor that, in fulfillment of a construction activity, becomes a component of a facility located in Wisconsin that is owned by the University of Wisconsin Hospital and Clinics Authority.

- Clarifies that the sales tax transfer exemption applies without regard to whether a service is taxable.
- Modifies the sales and use tax exemption for churches, religious organizations, and certain specific nonprofit organizations to conform to DOR's current administrative practices.
- Alters the sales tax collection standard for out-of-state retailers from \$100,000 in sales or more than 200 sales transactions to \$100,000 in sales.
- Allows the Legislative Audit Bureau to examine DOR sales and use tax returns for the purposes of carrying out its duties.
- Eliminates the restriction under current law that prohibits a county treasurer from paying town funds to the town treasurer at certain times of the year.

## **ASSEMBLY AMENDMENT 2**

Generally, Assembly Amendment 2 makes revisions to the various provisions of the IRC enacted through December 31, 2019 that are adopted under the bill for the purposes of state income and franchise taxes. Additionally, the amendment revises the effective dates of certain provisions of the bill, such as those relating to changes to the homestead tax credit, shared revenue calculations, and reporting of property omitted from assessment.

## **BILL HISTORY**

Representative Wittke introduced Assembly Bill 2 on January 15, 2021, and offered Assembly Amendment 2 on January 20, 2021. On January 21, 2021, the Assembly Committee on Ways and Means recommended the adoption of Assembly Amendment 2 on a vote of Ayes, 12; Noes, 0, and the passage of Assembly Bill 2, as amended, on a vote of Ayes, 11; Noes, 1.

SG:jal