



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:

SENATE BILL 60**SECTION 1**

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.

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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.

SENATE BILL 60**SECTION 7**

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:

