



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1730/1
JK&EHS:jld&kjf:jf

2013 BILL

1 **AN ACT** *to repeal* 71.69 and 77.16; *to renumber* 71.07 (5n) (a) 1. and 71.28 (5n)
2 (a) 1.; *to renumber and amend* 565.30 (3) (a); *to amend* 70.995 (8) (a), 70.995
3 (8) (b) 1., 70.995 (8) (c) 2., 70.995 (8) (d), 71.09 (11) (a), 73.03 (54), 74.25 (1) (a)
4 8., 74.30 (1) (h), 77.17 (1), 77.17 (2), 77.91 (3m), 78.005 (3), 78.09 (6) and 78.09
5 (7); and *to create* 71.07 (5n) (a) 1. b., 71.07 (5n) (a) 1. c., 71.28 (5n) (a) 1. b. and
6 71.28 (5n) (a) 1. c. of the statutes; **relating to:** deadlines for claiming lottery
7 prizes, motor vehicle fuel bulk plants, repealing the woodland tax, property tax
8 publications, the manufacturing and agriculture tax credit, manufacturing
9 property tax assessment objections, and reporting capital stock transfers.

Analysis by the Legislative Reference Bureau

Claiming lottery prizes

Under current law, a person holding a winning lottery ticket may claim his or her prize within 180 days after the drawing or other selection in which the prize is won or within 180 days after the game's end date, whichever is later. A game's end date is determined by the administrator of the Lottery Division of the Department of Revenue (DOR). Under this bill, the deadline for claiming a lottery prize is different for instant or scratch-off games than for other lottery games. The holder

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of a winning ticket for an instant or scratch-off game must claim a prize within 180 days after the game's end date.

Motor vehicle fuel bulk plant

Under current law, for motor vehicle fuel tax purposes, a "bulk plant" means a motor vehicle fuel storage facility that is primarily used to redistribute motor vehicle fuel by transporting it in vehicles that have a capacity of 4,200 gallons or less. The motor vehicle fuel tax is imposed on any person who imports motor vehicle fuel from a bulk plant in a vehicle that carries no more than 4,200 gallons to a destination that is no more than 25 miles from this state's border. A wholesale distributor who exports motor vehicle fuel from a bulk plant in a vehicle that carries no more than 4,200 gallons to a destination that is no more than 25 miles from this state's border is exempt from paying the motor vehicle fuel tax.

This bill eliminates the gallon capacity and mileage limits from the provisions related to motor vehicle fuel redistributed from bulk plants. Under the bill, the motor vehicle fuel tax is imposed on any person who imports motor vehicle fuel from a bulk plant located outside of this state. A wholesale distributor who exports motor vehicle fuel from a bulk plant to a destination outside of this state is exempt from paying the motor vehicle fuel tax.

Woodland tax

Prior to January 1, 1986, a person who owned ten or more acres of land could apply to the Department of Natural Resources (DNR) to have the land placed into the woodland tax law program. If DNR found that the land was suitable for growing timber or other forest products, and not more suitable for other purposes, DNR would approve the application. In exchange for paying a lower per acre property tax rate than the local general property tax rate, the property owner agreed to follow a woodland management plan approved by DNR. Under current law, as of January 1, 1986, DNR cannot approve any new application, or renew any agreement, to place land into the woodland tax law program. This bill eliminates the woodland tax law program.

Property tax publications

Under current law, DOR must publish instruction material that provides information to persons who wish to object to their property tax assessments. Under current law, DOR must also distribute this material in sufficient quantity to taxation districts. Under this bill, DOR must only make the material available to the taxation district.

Objections to manufacturing property tax assessments

Under current law, generally, a taxpayer must file an objection to the person's manufacturing property tax assessment with the state board of assessors within 60 days from receiving the assessment notice. This bill provides that an objection is timely filed if it is received by the state board of assessors no later than 60 days after the date of the notice or sent to the state board of assessors by certified mail in a properly addressed envelope, with postage paid, that is postmarked before midnight of the last day for filing.

BILL***Underpayment interest***

Under current law, interest is not imposed on an underpayment of income taxes that is less than \$200. Under the bill, interest is not imposed on an underpayment of income taxes that is less than \$500.

Capital stock transfers

This bill eliminates the requirement that corporations doing business in this state file a statement with DOR that discloses all capital stock transfers made by or to state residents during the preceding year. DOR currently receives this information from the federal Internal Revenue Service.

Manufacturing and agriculture credit

This bill makes a technical correction to the definition of “agriculture property factor” as it relates to computing the manufacturing and agriculture income and franchise tax credit. The change is consistent with similar language used with the definition of “manufacturing property factor” that is used under current law to compute the credit.

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.

For further information see the *state* 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.** 70.995 (8) (a) of the statutes is amended to read:
2 70.995 (8) (a) The secretary of revenue shall establish a state board of
3 assessors, which shall be comprised of the members of the department of revenue
4 whom the secretary designates. The state board of assessors shall investigate any
5 timely objection filed under par. (c) or (d) if the fee under that paragraph is paid. The
6 state board of assessors, after having made the investigation, shall notify the person
7 assessed or the person’s agent and the appropriate municipality of its determination
8 by 1st class mail or electronic mail. Beginning with objections filed in 1989, the state
9 board of assessors shall make its determination on or before April 1 of the year after
10 the filing. If the determination results in a refund of property taxes paid, the state

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1 board of assessors shall include in the determination a finding of whether the refund
2 is due to false or incomplete information supplied by the person assessed. The person
3 assessed or the municipality having been notified of the determination of the state
4 board of assessors shall be deemed to have accepted the determination unless the
5 person or municipality files a petition for review with the clerk of the tax appeals
6 commission as provided in s. 73.01 (5) and the rules of practice promulgated by the
7 commission. If an assessment is reduced by the state board of assessors, the
8 municipality affected may file an appeal seeking review of the reduction, or may,
9 within 30 days after the person assessed files a petition for review, file a
10 cross–appeal, before the tax appeals commission even though the municipality did
11 not file an objection to the assessment with the board. If the board does not overrule
12 a change from assessment under this section to assessment under s. 70.32 (1), the
13 affected municipality may file an appeal before the tax appeals commission. If an
14 assessment is increased by the board, the person assessed may file an appeal seeking
15 review of the increase, or may, within 30 days after the municipality files a petition
16 for review, file a cross–appeal, before the commission even though the person did not
17 file an objection to the assessment with the board.

18 **SECTION 2.** 70.995 (8) (b) 1. of the statutes is amended to read:

19 70.995 (8) (b) 1. The department of revenue shall annually notify each
20 manufacturer assessed under this section and the municipality in which the
21 manufacturing property is located of the full value of all real and personal property
22 owned by the manufacturer. The notice shall be in writing and shall be sent by 1st
23 class mail or electronic mail. In addition, the notice shall specify that objections to
24 valuation, amount, or taxability must be filed with the state board of assessors
25 ~~within~~ no later than 60 days of issuance after the date of the notice of assessment,

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1 that objections to a change from assessment under this section to assessment under
2 s. 70.32 (1) must be filed within no later than 60 days after receipt the date of the
3 notice, that the fee under par. (c) 1. or (d) must be paid and that the objection is not
4 filed until the fee is paid. For purposes of this subdivision, an objection is considered
5 timely filed if received by the state board of assessors no later than 60 days after the
6 date of the notice or sent to the state board of assessors by certified mail in a properly
7 addressed envelope, with postage paid, that is postmarked before midnight of the
8 last day for filing. A statement shall be attached to the assessment roll indicating
9 that the notices required by this section have been mailed and failure to receive the
10 notice does not affect the validity of the assessments, the resulting tax on real or
11 personal property, the procedures of the tax appeals commission or of the state board
12 of assessors, or the enforcement of delinquent taxes by statutory means.

13 **SECTION 3.** 70.995 (8) (c) 2. of the statutes is amended to read:

14 70.995 (8) (c) 2. A manufacturer who files an objection under subd. 1. may file
15 supplemental information to support the manufacturer's objection within no later
16 than 60 days from the date the objection is filed. The state board of assessors shall
17 notify the municipality in which the manufacturer's property is located of
18 supplemental information filed by the manufacturer under this subdivision, if the
19 municipality has filed an appeal related to the objection.

20 **SECTION 4.** 70.995 (8) (d) of the statutes is amended to read:

21 70.995 (8) (d) A municipality may file an objection with the state board of
22 assessors to the amount, valuation, or taxability under this section or to the change
23 from assessment under this section to assessment under s. 70.32 (1) of a specific
24 property having a situs in the municipality, whether or not the owner of the specific
25 property in question has filed an objection. Objection shall be made on a form

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1 prescribed by the department and filed with the board within ~~60 days of the date of~~
2 ~~the issuance of the assessment in question~~ the time prescribed in par. (b) 1. If the
3 person assessed files an objection and the municipality affected does not file an
4 objection, the municipality affected may file an appeal to that objection within 15
5 days after the person's objection is filed. A \$45 filing fee shall be paid when the
6 objection is filed unless a fee has been paid in respect to the same piece of property
7 and that appeal has not been finally adjudicated. The objection is not filed until the
8 fee is paid. The board shall forthwith notify the person assessed of the objection filed
9 by the municipality.

10 **SECTION 5.** 71.07 (5n) (a) 1. of the statutes is renumbered 71.07 (5n) (a) 1. a.

11 **SECTION 6.** 71.07 (5n) (a) 1. b. of the statutes is created to read:

12 71.07 (**5n**) (a) 1. b. For purposes of subd. 1. a., property owned by the claimant
13 is valued at its original cost and property rented by the claimant is valued at an
14 amount equal to the annual rental paid by the claimant, less any annual rental
15 received by the claimant from sub-rentals, multiplied by 8.

16 **SECTION 7.** 71.07 (5n) (a) 1. c. of the statutes is created to read:

17 71.07 (**5n**) (a) 1. c. For purposes of subd. 1. a., the average value of property is
18 determined by averaging the values at the beginning and ending of the taxable year,
19 except that the secretary of revenue may require the averaging of monthly values
20 during the taxable year, if such averaging is reasonably required to properly reflect
21 the average value of the claimant's property.

22 **SECTION 8.** 71.09 (11) (a) of the statutes is amended to read:

23 71.09 (**11**) (a) The tax shown on the return or, if no return is filed, the tax, minus
24 amounts withheld under subch. X, is less than \$200 \$500.

25 **SECTION 9.** 71.28 (5n) (a) 1. of the statutes is renumbered 71.28 (5n) (a) 1. a.

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1 **SECTION 10.** 71.28 (5n) (a) 1. b. of the statutes is created to read:

2 71.28 **(5n)** (a) 1. b. For purposes of subd. 1. a., property owned by the claimant
3 is valued at its original cost and property rented by the claimant is valued at an
4 amount equal to the annual rental paid by the claimant, less any annual rental
5 received by the claimant from sub-rentals, multiplied by 8.

6 **SECTION 11.** 71.28 (5n) (a) 1. c. of the statutes is created to read:

7 71.28 **(5n)** (a) 1. c. For purposes of subd. 1. a., the average value of property is
8 determined by averaging the values at the beginning and ending of the taxable year,
9 except that the secretary of revenue may require the averaging of monthly values
10 during the taxable year, if such averaging is reasonably required to properly reflect
11 the average value of the claimant's property.

12 **SECTION 12.** 71.69 of the statutes is repealed.

13 **SECTION 13.** 73.03 (54) of the statutes is amended to read:

14 73.03 **(54)** To publish instructional material that provides information to
15 persons who wish to object to valuations under s. 70.47 and to distribute make
16 available that material in ~~sufficient~~ quantity to taxation districts.

17 **SECTION 14.** 74.25 (1) (a) 8. of the statutes is amended to read:

18 74.25 **(1)** (a) 8. Retain for the taxation district all ~~woodland tax law collections~~
19 ~~under s. 77.16 and~~ 80% of collections of the taxes imposed under ss. 77.04 and 77.84
20 (2) (a) and (am).

21 **SECTION 15.** 74.30 (1) (h) of the statutes is amended to read:

22 74.30 **(1)** (h) Retain for the taxation district all ~~woodland tax law collections~~
23 ~~under s. 77.16 and~~ 80% of collections of the taxes imposed under ss. 77.04 and 77.84
24 (2) (a) and (am).

25 **SECTION 16.** 77.16 of the statutes is repealed.

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1 **SECTION 17.** 77.17 (1) of the statutes is amended to read:

2 77.17 (1) If the rule is not inconsistent with the contract entered into under s.
3 77.03 ~~or 77.16 (4)~~; or

4 **SECTION 18.** 77.17 (2) of the statutes is amended to read:

5 77.17 (2) If the owner agrees to modify the contract entered into under s. 77.03
6 ~~or 77.16 (4)~~ to require compliance with the rules.

7 **SECTION 19.** 77.91 (3m) of the statutes is amended to read:

8 77.91 (3m) REPORT TO LEGISLATURE. Beginning with calendar year 1992, the
9 department shall calculate for each calendar year whether the amount of land
10 exempt from penalty or tax under s. 77.10 (2) (c), ~~77.16 (11m)~~ or 77.88 (8) that is
11 withdrawn during that calendar year under s. 77.10 or 77.88 ~~or declassified or~~
12 ~~withdrawn under s. 77.16 (7)~~ exceeds 1% of the total amount of land that is subject
13 to contracts under subch. I or subject to orders under this subchapter on December
14 31 of that calendar year. If the amount of withdrawn or classified land that is so
15 exempt exceeds 1%, the department shall make a report of its calculations to the
16 governor and the chief clerk of each house of the legislature for distribution to the
17 appropriate standing committees under s. 13.172 (3).

18 **SECTION 20.** 78.005 (3) of the statutes is amended to read:

19 78.005 (3) “Bulk plant” means a motor vehicle fuel storage facility, other than
20 a terminal, that is primarily used to redistribute motor vehicle fuel by transporting
21 it in vehicles that have a capacity of 4,200 gallons or less.

22 **SECTION 21.** 78.09 (6) of the statutes is amended to read:

23 78.09 (6) Subject to ~~gallonage limits and other~~ conditions established by the
24 department, the department shall provide for the payment of the tax imposed by this
25 subchapter by a person importing motor vehicle fuel from a bulk plant ~~in a vehicle~~

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1 ~~capable of carrying not more than 4,200 gallons if the destination of that vehicle is~~
2 ~~no more than 25 miles from the border located outside of this state.~~

3 **SECTION 22.** 78.09 (7) of the statutes is amended to read:

4 78.09 (7) Subject to gallonage limits and other conditions established by the
5 department, the department shall provide for export by and the certification for
6 exemption from the tax imposed by this subchapter to a wholesale distributor
7 exporting motor vehicle fuel out of a bulk plant ~~in a vehicle capable of carrying not~~
8 ~~more than 4,200 gallons if the to a destination of that vehicle is no more than 25 miles~~
9 ~~from the border outside of this state.~~

10 **SECTION 23.** 565.30 (3) (a) of the statutes is renumbered 565.30 (3) (a) 1. and
11 amended to read:

12 565.30 (3) (a) 1. ~~The Except as provided in subd. 2., the holder of a winning~~
13 ~~lottery ticket or lottery share may claim a prize within 180 days after the drawing~~
14 ~~or other selection in which the prize is won or.~~

15 2. The holder of a winning lottery ticket or lottery share for an instant game
16 or scratch-off game may claim a prize within 180 days after the game's end date, as
17 determined by the administrator, ~~whichever is later.~~

18 **SECTION 24. Initial applicability.**

19 (1) MANUFACTURING AND AGRICULTURE CREDIT. The renumbering of sections 71.07
20 (5n) (a) 1. and 71.28 (5n) (a) 1. of the statutes and the creation of sections 71.07 (5n)
21 (a) 1. b. and c. and 71.28 (5n) (a) 1. b. and c. of the statutes first apply to taxable years
22 beginning on January 1, 2013.

23 (END)