



Legislative Fiscal Bureau

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June 30, 2021

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Summary of Assembly Amendments 3 and 4 to ASA 1 to AB 191

Assembly Amendments 3 and 4 to ASA 1 to 2021 AB 68 (the 2021-23 biennial budget) were adopted by the Assembly on June 29, 2021. This document summarizes the provisions of the two amendments.

Assembly Amendment 3

1. General Fund Transfer to the Transportation Fund.

Transfer from the general fund to the transportation fund \$20.0 million in 2021-22 and \$44.0 million in 2022-23 and thereafter. These amounts would be in addition to the current law statutory transfer of 0.25% of general fund taxes to the transportation fund as well as in addition to the increased transfers under the budget bill as passed by the Assembly. The budget bill, as passed by the Assembly, would establish a one-time transfer of \$134,152,200 from the general fund to the transportation fund in 2021-22 and increase the statutory transfer from 0.25% to 0.5% in 2022-23 and thereafter. This would result in an estimated June 30, 2023, balance of \$19.1 million compared to \$21.8 million under the Joint Finance version of the 2021-23 biennial budget.

Chg. to Jt. Finance	
GPR-Transfer	\$64,000,000
SEG-REV	64,000,000

2. **Taxation of Leased Property.** Specify that if a building, improvement, or fixture is specifically defined as personal property under current law, such property would not be taxed as real property and would no longer be taxed. Such items currently defined as personal property include: (a) irrigation implements used by a farmer, including pumps, power units to drive the pumps, transmission units, sprinkler devices, and sectional piping; and (b) an off-premises advertising sign, which means a sign that does not advertise the business or activity that occurs at the site where the sign is located. Delete references to lessee of the property, and clarify that building, improvements, and fixtures on leased lands would be assessed as real property to the owner of the building, improvement, or fixture. Prohibit any tax from being levied on items of personal property under Chapter 70 of the statutes, and sunset the tax beginning in property tax year 2022(23).

3. **Municipal Reporting of Personal Property Tax.** Require local taxing jurisdictions to report to the Department of Revenue the amount of property taxes levied on all items of personal property in property tax year 2021(22), if legislation is enacted during the 2021-22 legislative session to exempt items of personal property from taxation beginning in property tax year 2022(23).

Assembly Amendment 4

1. **Changes to Tax Incremental District Value Base.** Require that the Department of Revenue (DOR), upon receiving a written application, in a form prescribed by DOR, from either: (a) the town clerk for a town tax incremental district (TID), or (b) the clerk of a political subdivision for an environmental remediation TID, recalculate the base value of a TID affected by the bill to remove the value of the personal property. A request received under this provision no later than October 31 is effective in the year following the year in which the request is made. A request received after October 31 is effective in the second year following the year in which the request is made.

2. **Changes to Personal Property Tax Exemption.** Delete a reference to personal property tax, as it relates to the timely payment of the municipal monthly permit fee based on the assessed value of manufactured and mobile homes. Any such home that would continue to be taxed as real property would continue to have to meet this requirement. Modify what is considered manufacturing property to clarify that warehouses, storage facilities, or offices are considered manufacturing property when the facilities are located at the site of the for-profit manufacturing, assembling, processing, fabricating, making, or milling. Specify that the provisions of the bill would first apply to property tax assessments as of January 1, 2022 (property tax year 2022(23)).

BL/lb