

DOR Update

MTAW Fall Conference

September 26, 2014

Wisconsin Department of Revenue

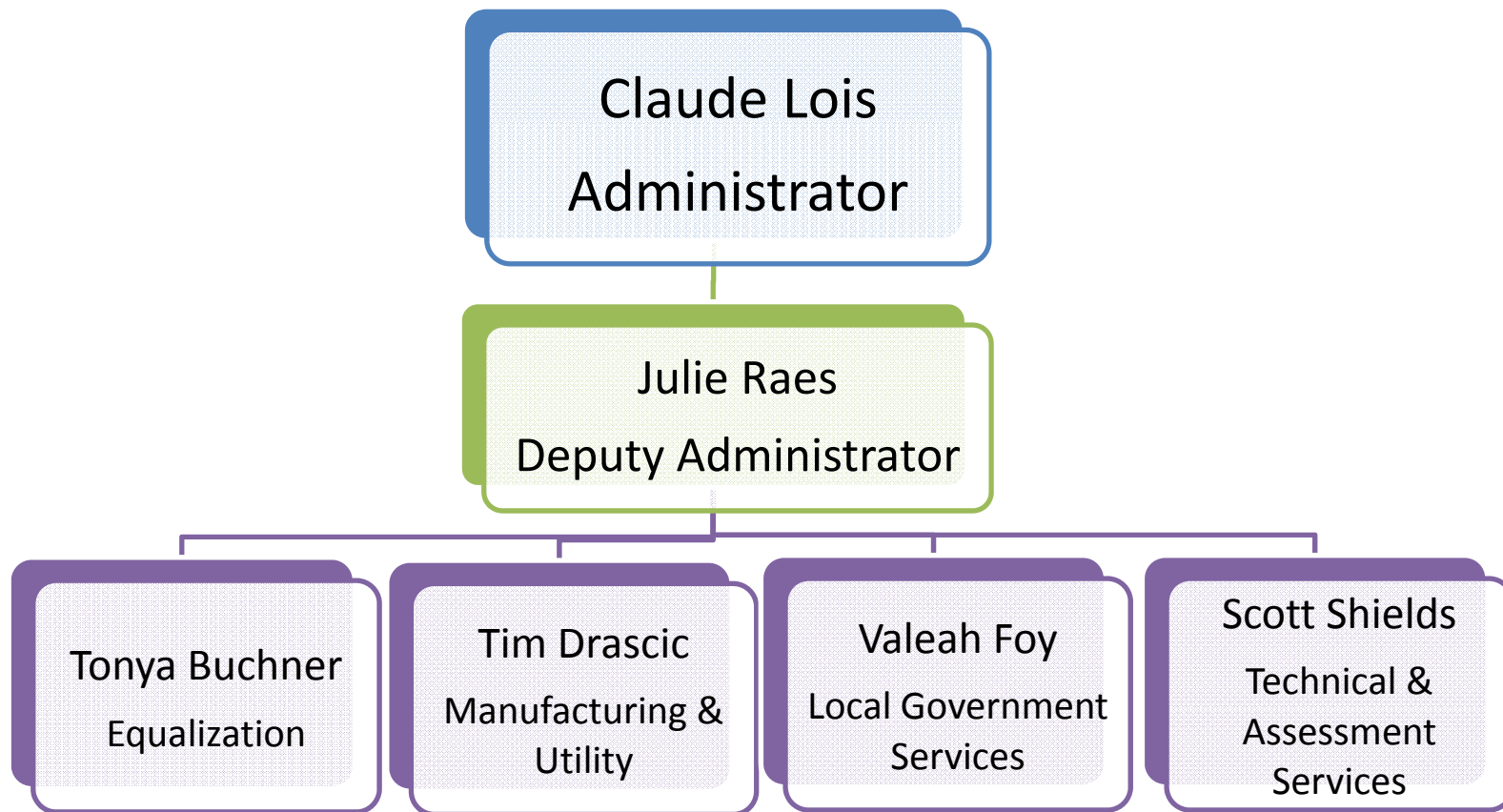
Valeah Foy



Agenda

- Division of State & Local Finance
 - Technical & Assessment Services
 - Manufacturing
 - Equalization
 - Local Government Services
- Electronic filing
- Law changes
- Levy limits
- Resources

Division of State & Local Finance





Technical & Assessment Services Staff

- Technology & Applications:
 - DOROTASTechnologyandApplications@revenue.wi.gov
 - Leo Kolaszewski, Sharon Hoepfner and Paul Denor
- Technical Services:
 - tif@revenue.wi.gov
 - Mary Lou Clayton
- Certification & Education:
 - bapdor@revenue.wi.gov
 - Marilyn Hendricks, Jennie Miller and Mark Paulat



Technical & Assessment Services Responsibilities

- Internet updates & local government emails
- SLF system (IPAS) changes/training/testing
- Wisconsin Property Assessment Manual
- Property tax guides & common questions
- Assessor certification & training
- Tax Incremental District (TID) creations/amendments



Manufacturing & Utility Staff

- Tim Drascic, Director
- Manufacturing Supervisors:
 - Eau Claire: Kelly Coulson, mfgtel79@revenue.wi.gov
 - Green Bay: Kurt Keller, mfgtel81@revenue.wi.gov
 - Madison: Dan Storm, mfgtel76@revenue.wi.gov
 - Milwaukee: Julie Matthes, mfgtel77@revenue.wi.gov
 - Map: <http://www.revenue.wi.gov/contact/slfmfgmap.pdf>



Manufacturing & Utility Responsibilities

- Property Valuation:
 - Manufacturing
 - Telecommunications
 - Pipelines
 - Airlines
 - Railroads
- Gross Receipts:
 - Power companies
- About 12,000 parcels of real property
- About 9,000 personal property accounts



Equalization Staff

- Tonya Buchner, Director
- Equalization Supervisors:
 - Eau Claire: Diane Forrest, egleau@revenue.wi.gov
 - Green Bay: Mary Gawryleski, eglgrb@revenue.wi.gov
 - Madison: Jim Young, eglmsn@revenue.wi.gov
 - Milwaukee: Pat Chaneske, eglmlke@revenue.wi.gov
 - Wausau: Al Romportl, eglwau@revenue.wi.gov
 - Map: <http://www.revenue.wi.gov/contact/slfequmap.pdf>



Equalization Responsibilities

- Equalized values
- Assessment compliance
- Assessment appeals
- Tax incremental district values
- Charge-backs
- Training



Local Government Services (LGS) Staff

- Leah Foy, Director
 - Jeremy Wedige: real estate transfer return
 - Marla Campbell: real estate transfer return
 - Caroline Marsh: SOA, SOT, treasurers settlement, apportionment
 - Lorena McGarry: SOA, SOT, state payment register, apportionment
 - Cynthia Seals: financial reports, managed forest programs
 - Dave Hruby: financial reports, boundary changes
 - Lynn Oldenburg: lottery credit, first dollar credit
 - Deb Werner-Kelln: lottery credit, first dollar credit
- Email: igs@revenue.wi.gov or eRETR@revenue.wi.gov



LGS Responsibilities

- Financial Statements & Reports
- State Aid Payments
- Equalized Values (School, Special & Technical College Districts)
- Apportionments
- Levy Limits
- Property Tax Credits
- Real Estate Transfer Return



Forms Update

- Most forms can be e-filed
- Statement of Assessment
 - Managed forest land and private forest crop acres populate
 - Created warnings for large changes in parcels, acres, and value
- Levy Limit Worksheets
 - Law change – add exemption for amounts levied to make up shortfall for special assessment B bond
- Statement of Taxes
 - Don't anticipate major changes
- Lottery Credit Applications
 - All lottery credit applications were updated



New! Calendar

- Open Book and Board of Review Calendar
 - DOR website
 - Available 2015
 - Municipal clerk/treasurer can:
 - Logon with WAMS ID
 - Enter OB and BOR dates
 - Public can:
 - Search by county and municipality
 - View OB and BOR dates
 - Subscribe to be notified via email when the dates are available

Select a County

Select a County and you will see a list of corresponding municipalities that you are eligible to report dates on.

Counties:

Select a Municipality

Select a Municipality and you will see entries for your two dates.

Municipality:

Enter Dates

COUNTY OF DANE - CITY OF MADISON

Please enter your dates and click the "Save" button.

Assessment Type

Assessment Type:

- Please Select
- Full Revaluation
- Exterior Revaluation
- Interim Market Update
- Annual Review/Maintenance

Open Book

Start Date: - To Be Determined Later

End Date: - To Be Determined Later

Board of Review

Start Date: - To Be Determined Later

COUNTY OF DANE - CITY OF MADISON

Sorry we do not have the specific dates for your municipality's Open Book and Board of Review dates.

Please contact either the Assessor or Clerk below for your municipality's Open Book and Board of Review dates and times.

E-mail Contact Information

If you would like to be contacted when your municipality posts their dates please provide us an e-mail address and click on the "Submit E-mail" button.

E-mail Address:

Submit E-mail

Clear

Clerk

MARIBETH WITZEL-BEHL
210 M L K JR BLVD RM 103
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(608) 266-4601
CLERK@CITYOFMADISON.COM

Assessor

MARK HANSON, ASSESSOR
210 MARTIN LUTHER KING JR BLVD
MADISON, WI 53703
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ASSESSOR@CITYOFMADISON.COM

For more information, please refer to:



Law changes

- **2013 Act 228** – Assessment Notice & Appeals (*eff. 1/1/15*)
 - Notice of Assessment (NOA)
 - Sent at least 15 days before board of review (BOR) or board of assessors (BOA)
 - Sent at least **30 days** before BOR or BOA for revaluation under 70.05
 - Objection to assessment
 - BOR may allow objector to appear in person, by telephone or submit a written statement under oath
 - BOR may postpone and reschedule hearing once
 - Hearing waiver
 - BOR may waive hearing and allow review by circuit court
 - BOR submits notice of decision using taxpayer's assessment
 - Waiver disallows taxpayer's claim on excessive assessment
 - 60 days from notice of hearing waiver to commence action



Law changes (cont.)

- **2013 Act 183** – TID Base Value Redeterminations (*eff. 4/4/14*)
 - Municipalities can request DOR to re-determine a TID base value
 - TID's Equalized Value must be at least 10% below the current base value of TID for 2 consecutive years (decrement)
 - Resolution date determines years (ex: May 21, 2014 resolution date requires both 2012 & 2013 TIDs to be 10% below TID's current base value)
 - Municipal resolution: signed by 9/30 & send to DOR by 10/31



Law changes (cont.)

- **2013 Act 193** – Town TID Law (*eff. 4/6/14*)
 - Expands authority for certain towns to create TIDs
 - Prior year Equalized Value must be at least \$500,000,000
 - Prior year population must be at least 3,500
 - Sewer service is or will be provided
 - Presentation to Towns on 5/17
 - Regular TIDs can now allocate increments to Environmental Remediation TIDs
 - Creates TID for annexed town land
 - Energy systems now taxable when in a TID on 1/1/14



Law changes (cont.)

- Property Tax Exemptions
 - **2013 Act 144** (*eff. 1/1/14*)
 - Rented heavy equipment used in the construction, mining and forestry industries
 - **2013 Act 380** (*eff. 1/1/15*)
 - Nonprofit youth baseball association



Law changes (cont.)

- **2013 Act 282** – Exemption from County Levy (*eff. 1/1/14*)
 - A town located on Madeline Island is exempt from county levy for airports, public health or economic development services
 - Town must apply to the county by September 1
 - County cannot increase levy on any municipality to compensate for this exemption
- **2013 Act 66** – Real Estate Transfer Fee (*eff. 12/14/13*)
 - Conveyance of real estate having value of \$1,000 or less is exempt from fee



Law changes (cont.)

- **2013 Act 87** – Razing Building Costs (*eff. 12/15/13*)
 - Cost of razing may be assessed as a special charge
 - No longer as a special tax
 - Counties are required to settle in full special taxes
 - If delinquent, becomes a lien on the property
- **2013 Act 157** – County Library Payments (*eff. 03/29/14*)
 - Whether or not a county has a consolidated public library, the county must make library payments to each public library in adjacent county
 - Sec. 43.12 payments are outside of county levy limit



Law changes (cont.)

- **2013 Act 222** – Special Assessment Interest and Levy Limits (*eff. 04/10/14*)
 - For special assessments, installment payments of principal and interest are structured by governing body
 - Interest rate set by governing body
 - May include an administrative fee, not more than 2 percent
 - Levy limits do not apply to the amount levied to make up a revenue shortfall for debt service on special assessment B bond (*eff. December 2013 levies*)



Law changes (cont.)

- **2013 Act 310** – Referendum Exception (*eff. 1/1/14*)
 - For levy limits, the referendum language is provided in statute
 - Exception created for a partisan primary in 2014, for a county with a population between 30k-40k, adjacent to a county with a population exceeding 450k.
 - This county can use the most recent information available



Law changes (cont.)

- **2013 Act 145** – Property Tax Relief (*eff. 03/26/14*)
 - For technical colleges, replaces levy limit with revenue limit
 - Allowable increase based on net new construction
 - \$406 million paid to technical colleges in 2014-15
 - Amount distributed annually to technical colleges going forward
 - "Revenue" includes tax levy and relief aid
 - Estimated to reduce property taxes 89 cents per \$1,000 of equalized value, or \$134 reduction on a \$150k property
 - Other individual income and corporate income tax changes



Levy Limit Worksheets

- Worksheets available early September
- Must file electronically
- **Due** December 15
- Use as a tool during the budget process



Levy Limit Worksheets

Line 1

- Lines 1 through 7 are pre-populated by DOR. You are unable to make an entry on these lines.
- **Line 1 is 2013 ACTUAL levy (from Statement of Taxes)**



Levy Limit Worksheets

Lines 2-4

- Line 2 – Prior year levy for unreimbursed emergency expenditures under sec. 323.10. This line will have an amount on it if an adjustment was taken on line G last year.
- Line 3 – This line will have an amount on it if an adjustment was taken on line E last year.
- Line 4 – Adjusted actual levy
 - the unreimbursed expenses and debt adjustments are not “base building”



Levy Limit Worksheets

Lines 5-7

- Line 5 – **GROWTH RATE IS 0%**. If a TID was terminated there is an additional levy percentage.
- Line 6 – Net new construction and terminated TID % added to adjusted actual levy
 - Net new construction
<http://www.revenue.wi.gov/equ/nnc.html>
- Line 7 – Larger of line 5 or line 6. Unless there is no new construction, net new construction will be the allowable increase for most municipalities.



Levy Limit Worksheets

Lines 8-10

- Line 8 – Total of all adjustments from page 2 of the levy limit worksheet
- Line 9 – Sum of lines 7 and 8 = 2014 allowable levy
- Line 10 – Higher levy approved by Special Resolution
 - This can only be done in towns with a population of less than 3,000.



Levy Limit Worksheets

Higher levy by special resolution

Three step process:

1. Town board adopts a resolution in support of the increase
2. Special town elector meeting called. Electors adopt a resolution in support of the town board's resolution.
3. Electors set the final levy by resolution



Levy Limit Worksheets

Line A - Adjustment for unused levy

- Adjustment available for previous year's unused levy
- This section will be pre-populated by DOR
- Allowable increase from line 5 must be put on line **A** if this adjustment is being used

Levy Limit Worksheets

Adjustment for unused levy

- Previous year's unused levy available for carryover calculated as follows:

1. Previous Year's Allowable levy _____
2. Previous Year's Actual levy _____
3. Previous Year's unused levy _____
(Line 1 minus line 2)
4. Previous Year's Actual levy x .015 _____
5. Allowable Increase _____
(Lesser of Line 3 or Line 4 above)



Levy Limit Worksheets

Adjustment for unused levy

- Carryover adjustment for unused levy may only occur if approved by town, village or city's governing body
- Method of approval is provided sec. 66.0602(3)(f)3a. Wis. Stats.



Approval of Carryover

- City, Village or County (governing body of at least 5 members)
 - Majority vote if increase of .5% or less
 - 3/4 majority vote if increase of more than .5% up to 1.5%
- City Village or County (governing body of fewer than 5 members)
 - Majority vote if increase of .5% or less
 - 2/3 majority vote if increase of more than .5% up to 1.5%
- Towns – majority vote of the annual or special town meeting, if the town board has approved
 - Majority vote if increase is .5% or less
 - 2/3 majority vote if increase of more than .5% up to 1.5%



Levy Limit Worksheets

Line B

- **Negative adjustment for debt authorized prior to July 1, 2005**
- If 2015 levy for “old” debt is less than 2014 levy for “old” debt, this negative adjustment must be taken Unless:
 - .5% to 1.5% carryover increase not taken in 2014, negative adjustment for decrease in old debt does not have to be taken



Levy Limit Worksheets

Lines C-E

- Line C – Increase in old debt – authorized prior to July 1, 2005
- Line D - Refunded or rescinded taxes – municipality's share, not the entire amount
- Line E – New debt – authorized after July 1, 2005
 - Includes 2015 principal and interest payments



Levy Limit Worksheets

Line F

- REFERENDUM - Increase based on approved referendum question
 - Odd Numbered Years – referendum vote can be scheduled to occur at any time
 - Even Numbered Years – vote must be held in conjunction with spring or fall primary or general elections
 - Additional authorized levy amount can be for one year or ongoing



Levy Limit Worksheets

Lines G-I

- Line G – Unreimbursed expenses related to an emergency under sec. 323.10
- Line H – Increase/decrease in costs associated with an intergovernmental co op
- Line I - Increase in charges assessed by a joint fire department. Increase has to be less than or equal to CPI plus 2% to take this adjustment.



Levy Limit Worksheets

Lines J-N

- Line J – Transfer of services OUT – subtract
- Line K – Transfer of services IN – add
- Line L – Annexation by a city or village – town subtract
- Line M – Annexation from a town – village or city add (prior year town levy)
- Line N – Lease payment for lease revenue bonds issued before July 1, 2005.



Levy Limit Worksheets

Lines O-R

- Line O – Levy for shortfall – revenue bonds and special assessment B bonds
- Line P – Increase in levy for shortfall in general fund due to loss of revenue from the sale of water or other commodity to a manufacturer that has discontinued operations
- Line Q – **NEW in 2013** – Decrease in levy for a new fee or fee increase adopted on or after **July 2, 2013**. Sec. 66.0602 (2m)(b) Wis. Stats.
- Line R – Total of adjustments A through Q



Levy Limit Worksheets

Actual Levy - SOT

- Total Town, Village or City Taxes are reported in Section D on the Statement of Taxes (SOT)
- The tax increment, state special charges and county special charges are not included when comparing actual levy to allowable levy



Levy Limit Worksheets

Actual Levy - SOT

- Section D – Line 1
- Special purpose district taxes are a part of the local levy
- Do not put fire district or utility district levy in Section C of the SOT



Levy Limit Worksheets

Actual Levy - SOT

- Section C – SOT is for special district taxes
- Only the following should be listed:
 - Metro sewer districts
 - Sanitary districts
 - Lake protection and rehab districts
- These are all separate taxing jurisdictions and have the authority by state law to levy property taxes



Levy Limit Worksheets

Summary

- The purpose of the levy limit worksheet is calculating the maximum allowable levy
- The actual levy is not reported on the levy limit worksheet. DOR obtains this data from the SOT.



Levy Limit Worksheets

Summary

- Section D from the SOT is compared to the allowable levy from the levy limit worksheet to determine whether or not there is an excess levy
- The levy limit worksheet should always be completed **BEFORE** the levy is set



Email Updates

- Stay Informed!
- Receive email updates about law changes, filing reminders, updated reports and notifications
- Subscribe at www.revenue.wi.gov/governments – click "Sign up for email updates"
 - Municipal Treasurer
 - Municipal Clerk



Resources

- DOR website: www.revenue.wi.gov
- Online videos – see DOR Video Center
 - Select "Government"
 - Examples: My tax account, eRETR, assessment topics (frac sand, use-value)
- Annual calendar
 - revenue.wi.gov/slf/cotvc/tvccal.pdf



Resources, cont.

- Wisconsin Property Assessment Manual:
 - <http://www.revenue.wi.gov/html/govpub.html#property>
- Publications:
 - <http://www.revenue.wi.gov/html/pubs.html>
- Reports:
 - <http://www.revenue.wi.gov/report/index.html>
- Common questions:
 - <http://www.revenue.wi.gov/faqs/index-pt.html>



Thank you

- Questions?