

Wisconsin Dept of Revenue State & Local Finance Newsletter September 2021



Message from John

A time to remember...and build upon

The ongoing COVID-19 pandemic has not just changed our lives, it impacted the way we think and reminded us of what is truly important. Over the past year and a half, local communities experienced budget shortfalls, gaps in infrastructure and health availability. The private sector watched as its employees shifted their priorities.

As we work to turn a corner on the pandemic and its impact on our economy and way of life, we look to new opportunities. With funding making its way into our communities, we evaluate and re-evaluate what's important to us and what really matters.

One way for local governments to rebuild their communities is to spend the time to fully discuss, plan and collaborate on the utilization of their ARPA Local Fiscal Recovery Funds. The Wisconsin Department of Revenue (DOR) is planning to meet with communities around the state to provide support and guidance, as well as, work with other state agencies and local associations to provide training and education. We also encourage local governments to partner with surrounding communities on regional projects.

Stay tuned for additional communications as more information becomes available. We will continue to support our local governments and look forward to conversations on the best ways to rebuild our economy and how to provide the greatest positive impact on our future. Let us begin, together.

John Dickert

SLF Administrator

Meet SLF's Newest Employees



Yacine Diallo joined our team in July as a Revenue Auditor in the Manufacturing & Utility Bureau director's office. Yacine works with the utility team on the assessment and taxation of ad valorem utilities, gross revenue utilities and telecommunications companies. Prior to joining DOR, he worked at an accounting and investment firm.



Amanda Weese recently joined our Equalization Bureau's Eau Claire district office as a Property Assessment Specialist. Prior to joining DOR, Amanda worked as an Examiner for the Wisconsin Department of Financial Institutions (DFI). Amanda was also a Branch Manager for a financial institution.

Important Calendar Dates

- | Date | Event |
|--------|---|
| Sep 2 | Report posted – Municipal Debt Limit |
| Sep 3 | Form posted – County and Municipal Levy Limit Worksheets |
| Sep 6 | State Holiday – offices closed |
| Sep 15 | Notices posted – 2021 Revised Estimate Shared Revenue, 2022 Original Estimate Shared Revenue, Expenditure Restraint Notices posted
Notice issued – Ad Valorem Final Billing Statement |
| Sep 30 | Report posted – Tax Incremental Certification |
| Oct 1 | Forms due to DOR – Request for Chargeback of Refunded or Rescinded Taxes, Request to Share Non-manufacturing Omitted Taxes, Late Lottery and Gaming Credit Application, Final MAR
Reports posted – Technical College and Special District Equalized Values and 2022 Video Service Provider Aid Estimates
Notices issued – Telco Companies Final Assessments and Billing Statements, Gross Revenue License Fee Installment |
| Oct 25 | Statistical reports posted |
| Nov 1 | Due to DOR – Technical College Apportionment Form; 2021 TID creations, territory amendments and base value redetermination documents and fees
DOR issues certification – Pipeline & railroad terminal distribution for municipalities with terminal facilities
Report posted – Major Class Comparison |
| Nov 10 | Due to DOR – Telco, ad valorem, gross revenue payments |
| Nov 15 | DOR issues final shared revenue payments
Due to DOR – State, county and special district apportionment forms |
| Nov 20 | Notices posted – School Levy Tax Credit, Full Disclosure |
| Dec 9 | Report posted – Debt Margin |
| Dec 15 | Due to DOR – County and Municipal Levy Limit Worksheet |
| Dec 20 | Due to DOR – Tax Increment Worksheet and Statement of Taxes |
| Dec 30 | Due to DOR – 2021 Tax incremental project and allocation amendment documents |
| Dec 31 | Due to DOR – Final or amended 2021 MAR |

MyDORGov Enhancements Coming Soon

Based on your suggestions, we're making some enhancements to MyDORGov. These updates will improve your MyDORGov experience and will be available the week of October 4.

When you visit MyDORGov, you can expect several changes. Each change is designed for user-friendly navigation and to access all the services you need. The home page dashboard provides quick, easy access to familiar pages including user information, form filing, and online help.

New to this update, you now have access to historical filings and notifications. The historical filings page allows you to review and print forms filed in the past three years. You no longer have to call DOR to get your past filings – they are now just a few clicks away. The new notifications page allows you to review important notices and reminders from us.

More information will be provided soon, including a video walk-through of the system updates. Have additional questions? Contact us at otas@wisconsin.gov.



ARPA Information

Your American Rescue Plan Act (ARPA) funds are here – wondering what the next steps are?

There are some key things to be thinking about right now – planning ahead, coordinating with local partners, leveraging your funds to maximize their impact and the U.S. Department of the Treasury (Treasury) guidelines.

When planning what to do with your ARPA funds, consider what your community needs. Take the time to talk to those in your community about their concerns and ideas. Also consider how you can leverage your funds and local partnerships. Become familiar with existing ARPA efforts at the state- and regional-level. See our list of [non-exclusive eligible uses](#), as well as Treasury's [Interim Final Rule](#) for insights on how your funds can be used to make a lasting impact. Funding from non-government entities (ex: foundations) may also be available to augment your ARPA plan.

Keep some guiding principles in mind when preparing to use the funds. For example, ARPA funding is temporary – local governments will receive two tranches – so avoid projects that need ongoing funding (infrastructure investment is an excellent example of a project that does not require ongoing expenditures). To understand how ARPA funds may impact levy limits and the Expenditure Restraint Program, review DOR's [May 5, 2021, communication](#). Local governments can also use ARPA funds for government services to the extent of the reduction in revenue due to the COVID-19 public health emergency. DOR is working with local associations to provide a Municipal Revenue Loss Calculator, which will be available soon. The calculator will assist your municipality in determining its revenue loss based on Treasury guidance.

Reminder – each ARPA recipient must submit a Project and Expenditure Report to Treasury by October 31, 2021. Non-entitlement units of local government (NEU) must submit this report by October 31, 2021 and then annually thereafter, including general project info, expenditures, status, demographic distribution information, subawards, civil rights compliance, programmatic data and other NEU documentation. For more information – review Treasury's [Compliance and Reporting Guidance](#) and [NEU ARPA Reporting Requirements Summary](#).

ARPA funding is a fantastic opportunity to support and strengthen your community. Be sure to plan ahead and coordinate with regional partners to take full advantage of your funds.

Questions? Contact Treasury at SLFRP@treasury.gov or DOR at DORLocalRecoveryFunds@wisconsin.gov.

Stay Connected – Connect with us for Important Up-to-date Information



- **Questions?** – visit DOR's [Contact Us](#) page (under "Governments") – provides State and Local Finance contact information by topic and office locations
- [Subscribe to DOR E-News](#) – select the list you'd like to see news for (ex: municipal clerks, assessors)
- **Expanding our email lists** – if you don't see a list that fits your needs, email us at slf@wisconsin.gov
- **Need training or a speaker for your event** – submit your request to slf@wisconsin.gov
- **Social media**
 - » Follow us on Twitter and YouTube
 - » Stay connected – we'd like to know what social media you're on





Listed are the law changes impacting state and local finance.

2021 Act 55 – this act **amended sec. 59.25(3)(e)** – requires counties to provide DOR the complete tax roll described in sec. 70.65 by March 15 each year, starting in 2022. The data must be submitted via extensible markup language (XML). Review page 4 for additional information. The act also **amended sec. 66.0615**, effective October 1, 2021, updating the definition of a "short term rental" to a period fewer than 30 days; allowing municipalities to (1) conduct a joint room tax audit, (2) provide audit and other information to DOR and (3) exchange audit information with any municipality taking part in a joint room tax audit; it requires audit determinations made by a municipality to be provided in writing within four years after the due date of the return unless no return is filed. It also requires DOR to update its website by October 1, 2021 to include the mailing address and room tax rate for each municipality that imposes room tax; and requires DOR to update its Room Tax Report for every municipality subject to sec. 66.0615(1m)(dm), to certify and report on or before May 1, 2022, the amount of room tax retained by the municipality in each of the following fiscal years: 2010, 2011, 2012, 2013, and 2014.

This act also **amended sec. 66.0615**, to change the administration of local room taxes by marketplace providers including: the elimination of the definition of "lodging marketplace" and the requirement to obtain a lodging marketplace license; requiring a marketplace provider that facilitates sales on behalf of others to (1) collect room tax imposed by a municipality and forward the tax to the municipality on a quarterly basis, along with the [Form RT-200: Marketplace Provider Municipal Room Tax Return](#) (**Note:** A marketplace provider may report the tax more frequently by written agreement between the marketplace provider and municipality), (2) providing a penalty for a marketplace provider's failure to file a room tax return or pay the tax as required, and (3) to continue to notify the marketplace seller that the marketplace provider has collected and forwarded the municipal room tax. It also requires municipalities to provide by ordinance for the confidentiality of information obtained from returns filed by marketplace providers, and prohibits a municipality collecting a room tax from the marketplace seller if the municipality collects the tax from the marketplace provider.

2021 Act 58 – this constitutes the executive budget act of the 2021 legislature. It **created sec. 70.11(4n)**, effective January 1, 2022, providing a property tax exemption for any parcel of vacant land owned by a church or religious association. The parcel must be no more than 0.8 acres; located in a first-class city; less than a quarter mile from the shoreline of Lake Michigan; and adjacent or contiguous to a city incorporated in 1951 with a 2018 estimated population exceeding 9,000. It **amended sec. 38.16(3)(a)2w.**, updating the technical college revenue limit including additional aid. It **amended sec. 79.10(11)**, adjusting the lottery credit activities funding the lottery and gaming property tax credit.

The act also **amended secs. 70.113** and **70.114**, changing rates for the Wisconsin Department of Natural Resources payments to municipalities for state forest land, state parks, state public shooting, trapping or fishing grounds. Effective July 10, 2021 – rates increase to \$3.20 and \$0.30 per acre, from \$0.80 and \$0.08 respectively. Starting with 2022 payments – payments under the 10-year schedule will not be less than \$3.50 per acre.

2021 Act 61 – this act **amended sec. 79.096**, starting with 2022 personal property aid (PPA) payments, when a tax incremental district (TID) terminates, the state of Wisconsin will distribute PPA to the municipality and other taxing jurisdictions in the following year and each year thereafter. Under prior law, PPA was eliminated after the TID terminated. For TIDs active for the 2017 tax year that terminated since and would have received aid, the state of Wisconsin will distribute the sum of that aid to the municipality and other taxing jurisdictions – as well as the appropriate annual amount each year thereafter. This information was included in the 2022 PPA estimates sent on August 15, 2021 and is available on our [PPA estimate](#) web page. **Note:** The additional terminated TID PPA payments will not be included in revenue/levy limit calculations. Also, the general fund expenditures related to these terminated TID PPA payments will be subtracted when reporting for the Expenditure Restraint Program (ERP), starting with the 2022 ERP worksheet.

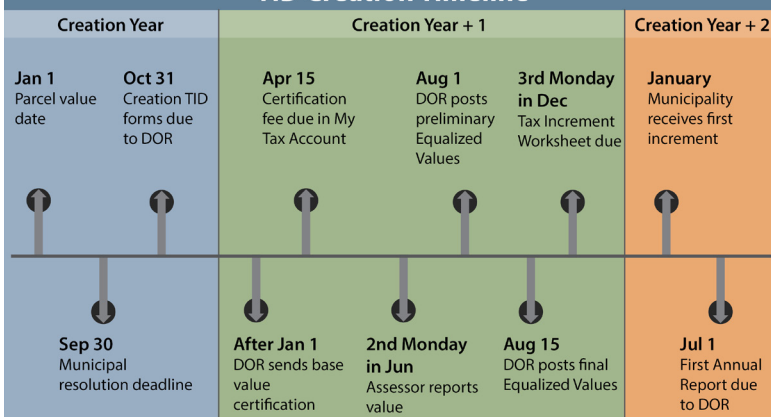
This act also **amended sec. 79.095**, starting with 2022 exempt computer aid payments, when a TID terminates, the state of Wisconsin will distribute aid to the municipality and other taxing jurisdictions in the following year and each year thereafter. Under prior law, aid was distributed to the municipality only starting in the year following the TID termination. **Note:** There are no retroactive adjustments for exempt computer aid.

2021 Act 68 – this act **amended sec. 66.1105(20)(c)2.**, effective July 10, 2021, increasing the timeframe expenditures may be made to the first 180 months after creation for TIDs in an electronics and information technology manufacturing zone. Under prior law, the timeframe was the first 84 months.

Would you like more details?

For a complete listing of 2021 acts – visit the Wisconsin State Legislature [website](#).

TID Creation Timeline



TIDs Take Time and Effort

To create a new TID, your municipality must follow specific steps required by law and designed to keep the public informed. After a TID is created, the municipality's responsibilities continue. The tasks include filing annual forms, scheduling meetings, tracking funds and storing documents. In addition, **every year** a municipal official should verify the TID number is correctly coded to all the property within the TID boundary on the tax/assessment roll. When a parcel within a TID boundary splits, merges or the parcel ID changes, it's important to maintain proper coding on the roll. Confirming the correct TID property is coded on the roll ensures the TID increment value is correct. For additional information on municipal responsibilities related to TIF, watch our "[Roles and Responsibilities](#)" video. To view other TIF videos, visit the Govt's tab on our [Video Center](#) web page.

First Increment Dollars – Did you know...

It takes two years after a TID creation resolution is adopted before a municipality receives its first increment dollars, if property values increase.

The timeline above shows what happens each year. In the first year the TID is created and the base value is established. In the second year, the TID is added to the tax roll and its first equalized value is established. Finally, in the third year, the municipality receives its first increment revenue base on the prior year's tax roll. For additional information on how to create a TID, watch our "[Creating a TID](#)" video. To view other TIF videos, visit the Govt's tab on our [Video Center](#) web page.

Is your TID generating enough increment to pay costs?

If not, here are some questions to consider:

- Should we extend the TID's life to allow more time to pay debt?
- Should we terminate the TID early?
- Are there other TIDs in our municipality that may be able to share increment? Should we complete a TID amendment to allocate funds between TIDs?
- Should we hire a consultant to assist with an economic analysis, restructuring debt or market development?
- Should we add or subtract parcels in our TID to increase the increment value?
- How can we increase development in the TID?

Questions? Contact us at tif@wisconsin.gov.

View the videos listed below – visit our [Video Center's](#) "Govt" tab to watch – TIF Basics • TIF Roles and Responsibilities • Creating a TID • TIF Web Resources

2021 Wisconsin Act 55 & XML Tax Roll Files

On June 30, 2021, Wisconsin Act 55 was enacted into law. A provision of this act requires all counties to submit their Wisconsin tax roll by March 15 annually in a form and manner prescribed by the Wisconsin Department of Revenue (DOR) (sec. 59.25(3)(e), Wis. Stats.).

The property assessment roll and property tax roll are vital components to a fair and accurate property tax process. DOR worked with county and municipal officials to create a standard set of assessment and tax roll data to ensure efficient government and simplify the exchange of information. The group also developed a standard way to transfer this data from one entity to another. The standard format is Extensible Markup Language (XML), which will be the prescribed form for electronically submitting the files.

XML Benefits to Local Governments

- **Frees up your time** – after all counties provide their XML data to DOR, we can eliminate some of your state filing requirements. Less time filling out forms equals more time in your day.
- **Simple, efficient and accurate** – XML ensures efficient government and simplifies information exchange among municipalities, counties and the state of Wisconsin, while offering less room for entry errors as data is streamlined

Check for Grant Funding – Available for Counties

- If you need to gather complete property information – state funding is available to your county to help comply with Act 20 and create the electronic XML file
- Wisconsin Land Information Program offers over \$9 million annually to help counties modernize land records
- For more grant information, contact Peter Herreid (peter.herreid@wisconsin.gov) at the Wisconsin Department of Administration

Submit Wisconsin XML Tax Rolls to DOR by March 15

- Review XML schema and other relevant data at: [Assessment and Tax Roll Electronic File Transmissions](#)
- 2021 specific information (including sample files and file definitions) – [2021 Assessment and Tax Roll Electronic File Transmissions](#)

Questions?

- We developed a document to assist with filing assessment and tax rolls, available our [website](#)
- If you need further assistance, contact us at otas@wisconsin.gov

Check out the TIF Videos

These videos provide a brief overview – using TIF, municipalities can expand their tax base by encouraging development that wouldn't otherwise occur.

Manufacturing & Utility Bureau



New Qualified Broadband Service Property Exemption Available to Telecommunication Companies

Beginning this 2021 assessment year, a new exemption for "qualified broadband service property" was made available to state-assessed telecommunications companies. Qualified broadband service property is described as tangible personal property that is used to provide Internet access service to rural or underserved areas at a download speed of at least 25 megabits per second and an upload speed of 3 megabits per second. This type of equipment may include fiber optic cable, metallic cable, optronic equipment and radios, servers, etc., used to provide service at or above the minimum qualified upload and download speeds. It does not include equipment shelters, towers, or furniture type equipment that is ancillary or is more in support of the service.

The exemption is also location specific. All "qualified broadband service property" installed after December 31, 2019, in a "rural area" or "underserved area" qualifies for the exemption. A "rural area" is an area located outside of a federal metropolitan statistical area or is located in a city, village, or town with a population of not more than 14,000 and a population density of not more than 2,500 per square mile. The location requirements use the 2010 federal decennial census, except that the determination of population density uses the 2017 population density per square mile by municipality estimates available from the Department of Administration. An "underserved area" is an area in the state where internet access at the minimum upload and download speeds is not available from at least two wired providers.

Currently only qualified broadband service property equipment installed after December 31, 2019, is exempt. Beginning in 2025, all qualified broadband service property, including equipment installed in a "rural area" prior to January 1, 2020, will be also eligible for exemption.

DOR (SLF Utility/Telco) added Schedule R to the 2021 Telco Annual Report. Telco companies report their qualifying equipment on this report and submit it along with their annual Telco report. Schedule R undergoes an initial review by Telco auditors for compliance with the statute. Auditors will also review Schedule R along with other Telco property in the more comprehensive four-year audit.

A rough estimate from 2021 submissions indicate the exemption accounted for approximately \$4 million in taxes that otherwise would be assessed to Telco companies.

Equalization Bureau

2021 Equalized Values Report Shows Strong Increase

Wisconsin's Real Estate Market Grew by 7%

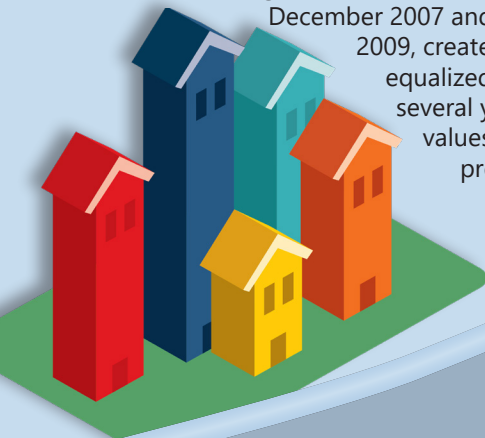
Wisconsin's 2021 equalized values as of January 1, 2021, is \$654 billion, a \$41.6 billion (7%) increase over the prior year.

2021 marked the largest amount of new construction value and market value increase on record.

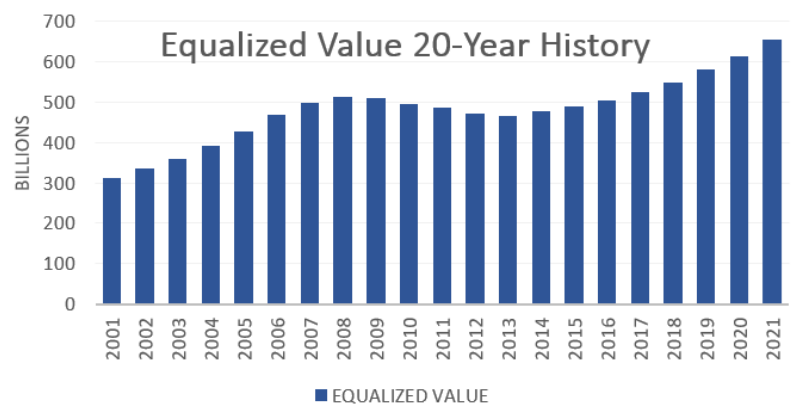
- \$10.1 billion due to new construction (2%)
- \$31.1 billion due to market value increases (5%)

This year, 2021, saw the largest one-year increase since 2006. Equalized value changes have been steadily increasing over the past several years. See Secretary Barca's [statement](#).

The great recession, which officially began in December 2007 and ended in June 2009, created a downturn in equalized values that lasted several years. The equalized values did not return to pre-recession levels until 2017.



Property Type	2021 Equalized Value	% Change from 2020
Real estate	644,671,800,600	7.0%
Personal property	10,148,575,300	0.5%
Total Equalized Value	\$654,820,375,900	7.0%



Greatest Equalized Value Increases

Top three counties

- Menominee County (+11.4%)
- Rock County (+10.9%)
- Kenosha County (+9.9%)

Top three major cities

- Beloit (+22.3%)
- Milwaukee (+12.3%)
- West Allis (+10.6%)

Expenditure Restraint Program

New Form Available

The new [Form SL-204: Expenditure Restraint Early Payment Request](#) is now available. You must file this request before

October 15, 2021, to be eligible. You may only file this form if

your municipality meets the following qualifications:

1. Did not timely file the 2020 Expenditure Restraint (ERP) Worksheet and resulting in not qualifying for a 2021 payment
2. Timely filed the 2021 ERP Worksheet and confirmed your municipality qualifies for a 2022 ERP payment based on the [2022 shared revenue original estimate](#)
3. Requesting that 50% of your municipality's 2022 ERP payment be distributed early on the third Monday in November 2021

Budget Limit Letters

Due to a law change adjusting the Consumer Price Index to be the 12 months ending August 30 instead of September 30, DOR will provide ERP budget limit letters by October 1, 2021, instead of November 1, 2021. This will be helpful for your budget preparation process.

Questions? Contact us at lgs@wisconsin.gov.

Don't forget to...

- [Subscribe to DOR E-News](#) – select the list you'd like news for (ex: municipal clerks, assessors)
- [Expanding our email lists](#) – if you don't see a list that fits your needs, email us at slf@wisconsin.gov



Training and Available Resources

Upcoming Training/Dates

SLF will be providing training at the events below:

- Sep 13- Oct 1 [WI Towns Assoc. Fall Workshops](#)
- Sep 28-30 [Municipal Assessors Institute](#)
- Oct 10-12 [WI Towns Assoc. Annual Convention](#)
- Oct 20-22 [WI County Treasurers Assoc. Conference](#)
- Oct 20-22 [League of Municipalities Annual Conference](#)



Need More Information?

Check out our various web resources, publications, reports and common questions located on our website.

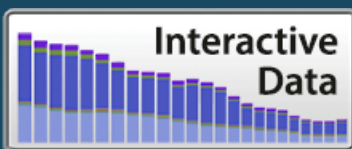
Common Web Resources

- [Governments web page](#)
- [ARPA – Local Fiscal Recovery Funds web page](#)
- [Tax incremental financing](#)
- [Government guides and publications](#)
- [Reports \(including interactive data\)](#)
- [Property tax common questions](#)
- [Manufacturers](#) and [telco](#) web pages



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DOR CORNER



DOR has [Interactive Data Visualizations](#) on our website. Our Research and Policy Division works hard to create visualizations (vizzes) that meet the needs of our customers and stakeholders. The information is not only interesting, it is also helpful for your communities.

Can't find a viz that meets your needs? Email DOReconomists@wisconsin.gov with your suggestions for future vizzes. If we have the data, we can work to create it!

Levy Limit Exceptions

We recently added a viz on Levy Limit Exceptions, summarizing the exceptions reported by Wisconsin municipalities and counties from 2010 through 2020. Visit revenue.wi.gov/Pages/RA/Levy-Limit.aspx to take a look.

Levy Limit Exceptions

