



BENEVOLENT RETIREMENT HOMES FOR THE AGED

2009 Wisconsin Act 28 created a property tax exemption for benevolent retirement homes for the aged. The exemption is effective for the January 1, 2010, assessment year. Act 28 is available at <http://www.legis.state.wi.us/2009/data/acts/09Act28.pdf>, see pages 300-301.

The Department is currently developing language for the *Wisconsin Property Assessment Manual* (WPAM) that provides detail on administration of the exemption. The updates will be distributed when complete. The following summarizes the exemption, the valuation process, and the 130% of the average equalized value of a residential parcel for each county.

Sec. 70.11(4d), Wis. Stats.

- The property must be owned by a non-profit entity.
- The owner must be a benevolent association.
- The property must be used as a retirement home for aged.
- The property must not be used for profit.
- The fair market value of an individual unit (excluding common area) must be less than 130% of average equalized value of residential improved properties in same county for previous year.
- The statute can be viewed in its entirety at <http://www.legis.state.wi.us/rsb/Statutes.html>.

Property Valuation Steps

1. Determine the value of the individual units exclusive of “multi-user” & “amenities” common areas.
 - Use of comparable sales is recommended for determining the value.
2. Adjust for “residual common area” by subtracting 20% of value.
 - Result = unit value
3. Determine if the unit value is at or above the 130% benchmark - http://www.revenue.wi.gov/equ/130_calc.pdf.
4. Value and assess any land and improvements used “for profit.”
 - As an example, land and improvements leased to for-profit salon.
5. If 50% or more of the individual units are exempt:
 - The qualifying individual units are exempt.
 - The common areas are exempt, including land up to 30 acres necessary for location and convenience of buildings.
6. If less than 50% of individual units exempt:
 - The qualifying individual units are exempt.
 - The common areas are taxable, including land.

130% Benchmark Calculation Process

- $130\% \times \text{County Ave Equalized Residential Land Value} + \text{County Ave Equalized Residential Improvement Value}$
 - $\text{County Ave Equalized Residential Land Value} = \frac{\text{Total County Equalized Residential Land Value}}{\text{Statement of Assessment Number of Residential Land Parcels}}$
 - $\text{County Ave Equalized Residential Improvement Value} = \frac{\text{Total County Equalized Residential Improvement Value}}{\text{Statement of Assessment Number of Residential Improved Parcels}}$
- The calculation applies data from the prior year, e.g. the 2010 calculation applies 2009 data.
- The current year calculation is available at http://www.revenue.wi.gov/equ/130_calc.pdf.
- The Department will update this information on an annual basis each March.
- Sources of Data
 - Equalized Values: <http://www.revenue.wi.gov/equ/report2.html>
 - Parcel Counts: <http://www.revenue.wi.gov/report/a.html#assess> (Statement of Assessment)