GUIDE TO WISCONSIN

ASSESSMENT OF PERSONAL PROPERTY

LOCATED AT BUT NOT OWNED BY

A MANUFACTURER

Wisconsin Department of Revenue
Division of State and Local Finance
Bureau of Property Tax
Manufacturing & Utility Section
2135 Rimrock Road
Madison, WI 53713

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Prop 066 (R. 4-05)

This guide was prepared to answer the most often asked questions regarding the assessment of property located at but not owned by Wisconsin manufacturers. The guide will also assist you in completing the State of Wisconsin Department of Revenue Form M-L (Leased, Rented or Loaned Personal Property Return).

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If you have any additional questions you should contact the Manufacturing District Office for the area in which the property is located. The District Office boundaries are shown on the map on page 7. District Office phone numbers and addresses are listed on page 6.

Bureau of Property Tax
Manufacturing and Utility Section
Wisconsin Department of Revenue

INTRODUCTION

1. *Why do I have to file the M-L form?*

   If you lease, rent, loan or simply have personal property located in Wisconsin, there are two assessors that you may need to report to. They are:

   a. The local municipal assessor who assesses all property located at non-manufacturers. Report on a local form.

   b. The Wisconsin Department of Revenue who assesses all property located at a manufacturer. Report on the M-L form to the correct District Office(s).

2. *Why two assessors?*

   In 1973, the Wisconsin Legislature enacted Section 70.995 of the Wisconsin Statutes which provides for the Department of Revenue to be responsible for the assessment of manufacturing property, which includes not only property owned by a manufacturer, but also property located at a manufacturer.

   The legislature also enacted several laws to encourage industrial development and expansion in the state. Section 70.11(27) provides for the exemption of manufacturing machinery and equipment used by a manufacturer in manufacturing tangible personal property. Section 70.995(4) states that the Department of Revenue shall have sole discretion as to who is a manufacturer and as to what unit of tangible personal property qualifies as exempt manufacturing equipment. All manufacturing taxable leased personal property is assessed directly to the manufacturer/lessee.

REPORTING REQUIREMENTS

3. *How do I know who is a manufacturer?*

   If you are receiving an M-L or reporting on an M-L for the first time, and are not aware which of your accounts are manufacturers, determination of the status of your accounts must be made.

   You should submit all information required, both a listing of accounts and valuation data, on the M-L for all your accounts in advance of the March 1 filing deadline. The Department of Revenue will then determine which of these accounts are manufacturers, make the valuation and advise you on those accounts identified as manufacturers. You may also refer to the list of manufacturers we assess on the Department of Revenue website.

4. *Will the Department forward the non-manufacturing accounts to the local assessor?*

   No. You should report all property located at non-manufacturers to the local assessors by March 1st.

5. *Should I report a complete listing of all my accounts each year?*

   No. If you have reported to us in the past, you should submit the required information on the M-L form only for those accounts previously identified as manufacturers plus any new accounts. The Department will then review the new accounts only and assess the property located at manufacturers.

6. *Will I get double assessed if I report both to the State Department of Revenue and the local assessor?*

   There should be no double assessments. The Department of Revenue should only assess those accounts or locations which are classified manufacturing and the local assessor should only assess property at non-manufacturers.

7. *Must I report equipment if it is not leased, rented or loaned directly to a Wisconsin manufacturer?*

   Yes. If the equipment is located on or at the premises of a manufacturer it may be assessed by the state. An example would be third party leases in which you own the equipment and lease it to a third party who in turn leases it to the manufacturer or who provides a service or product to the manufacturer.

8. *What if I no longer have any property to report?*

   If your property has been sold or removed from the manufacturing location where we previously assessed it, please return the M-L form noting what happened to that previously reported equipment.

9. *When is the M-L Form due?*

   The M-L form is due March 1st which also is the due date for Personal Property forms which are filed with the local assessor.

10. *Can I get an extension to file the M-L form?*

    Yes. You can receive an extension to April 1 by sending a written request prior to March 1 to the Wisconsin Department of Revenue, Manufacturing & Utility Section, Mail Drop 6-97, PO Box 8971, Madison, WI 53708-8971. The written request may be sent via first class mail, email or fax. See the map on page 6-7 for addresses and fax numbers. Acknowledgment of extension requests will not be sent out. If a receipt is desired, we recommend you use one of the delivery confirmation services available (for example: certified mail or email).

11. *What happens if I file the M-L Form late or not at all?*

    You may be subject to a penalty. If you fail to file the form by the due date or by an extension of the due date that has been granted, the Department will enter a penalty that is calculated based on the assessment of your property for the previous year. The Department will not enter a penalty if the Department did not assess the property for the previous year. The penalty payment is due to the Department of Revenue within 30 days of issuance.

    You may also receive a penalty if you file an incomplete or illegible return.

12. *What constitutes an incomplete return or what type of information must be included on the M-L form?*

We must have:

a. name of customer and location of the property
b. lease or customer number (if available)
c. name of item or type of property
d. year manufactured or year acquired
e. original cost or selling price of equipment

13. *What are the specific requirements for filing an acceptable M-L form?*

To avoid filing penalties:

a. your listing of accounts must be separated by district offices and sent to the appropriate district offices
b. only manufacturing accounts should be reported to our offices
c. a signed copy of the M-L form must be sent along with your report to each district office. Faxed copies are **not** acceptable because an original signature is required.

ASSESSMENT & VALUATION

14. *Who will be assessed for the property I report on the M-L?*

The Department of Revenue will assess all personal property leased to a manufacturer to the manufacturer in charge or possession of the property.

15. *How does the Department of Revenue determine the assessed value of my taxable property?*

The standard for personal property is "true cash value" which essentially means the same thing as market value. Market value is what a property would ordinarily sell for at arms-length sale in the market in which such property is normally sold.

16. *How does the Department of Revenue arrive at market value?*

To determine market value of fixed assets or personal property, the Department of Revenue has developed Composite Conversion Factors for groups of assets based on the assets' useful life. These Factors include the effects of both appreciation and depreciation and, when applied to the original selling price (retail) of the assets, yield an equitable estimate of market value.

17. *Are there other methods the Department of Revenue uses to determine market value?*

Other methods available and sometimes used include:

a. Current Selling Price Used – no depreciation is applied to this value.
b. Cost of Acquisition – Cost to Manufacture multiplied by a % markup you should report.
c. Cost of Acquisition – Wholesale Cost multiplied by a % markup you should report to bring the asset up to a retail selling price to the user/customer.
d. Comparison to other similar equipment (i.e., price guides)

EXEMPTION OF MANUFACTURING EQUIPMENT

18. *Earlier you mentioned that certain equipment used by a classified manufacturer is exempt. Does this mean that all my property at a manufacturer is exempt?*

No. Only machinery and specific processing equipment that is used exclusively and directly in the production process qualifies for the exemption. Machinery and equipment used for non-manufacturing purposes; furniture, fixtures, office equipment; and other personal property, such as supplies or leasehold improvements, are still taxable. NOTE: Effective January 1, 1999 computers and software as defined in 70.11(39) is exempt from tax.

19. *I have production equipment located at a manufacturer. Can the equipment be exempt as manufacturing equipment?*

Yes. The production equipment only has to be used exclusively and directly in the production process by a classified manufacturer to qualify for the exemption. It doesn't have to be owned by the manufacturer. The Department will compare your report with the manufacturer's report and attempt to reconcile any differences before granting the exemption.

QUESTIONS

20. *What should I do if I have any questions regarding the assessment of my property?*

Contact the Manufacturing & Utility District Office for the area in which the property is located. See pages 6 and 7.

21. *What does Schedule LL of the M-L Form look like?*

See center fold for a sample of this schedule.

LOCALLY ASSESSED PROPERTY AT MANUFACTURERS

In general, personal property leased to, rented to, or loaned to a Wisconsin manufacturer is assessed by the Department of Revenue. However, Chapter 10 of the Wisconsin Property Assessment Manual allows low value items with no likelihood of qualifying as exempt M&E to be assessed by the municipal assessor. Below is a list of leasing companies who lease such items to manufacturers in the state. Property owned by these leasing companies and leased to Wisconsin manufacturers is assessed by the municipal assessor.

ADT SECURITY SYSTEMS
ALLCOM OF WIS
ALL CITY COMMUNICATIONS
AMERITECH MONITORING SERVICE
AMERITECH PAGING
AN-SER SERVICES
ARCH COMMUNICATIONS
ASCOM HASLER MAILING SYSTEM
ASSOCIATED PRESS
ASSOCIATES CAPITAL
AUTOMATIC DATA PROCESSING
BADGER MAILING SYSTEMS
BEEPER MARKETING OF WI, INC.
BENTLEY WELDING SUPPLY/PRAXAIR
BEST DISPOSAL SERVICE
BETHESDA SPRING WATER
BFI (BROWNING-FERRIS IND)
BIOKLEEN ENVIRONMENTAL
BRAMBLES EQUIP SERV INC -(nka NES EQUIPMENT)
BRENT'S MAILING EQUIPMENT
BROOK FURNITURE RENTAL
BUSINESS SERVICE CENTER
CARD ESTABLISHMENT SERVICES
CENTRAL CONTROL ALARM
CONTAINER HAUL-AWAY, INC.
CULLIGAN WATER CONDITIONING
DOW JONES TELERATE, INC.
DTN LEASING
EDI SUPPLIER
ENVIRITE CORP.
FARMER BROS. CO.
FEDERAL EXPRESS (FED EX)
FME CORPORATION
FRANCOTYP – POSTALIA INC.
FRIDEN NEOPOST
GALILEO INTERNATIONAL INC
GREEN VALLEY DISPOSAL CO INC
HONEYWELL INC DBA PROTECT
IDEAL DISPOSAL SERVICE
INDUSTRIAL TOWEL & UNIFORM
INTERIORSCAPES
LEASE FINANCE GROUP LP
MERMAID WATER SERVICES CORP.
METROCALL INC.
MIDWEST AERIAL PLATFORM
MILWAUKEE MAILING AND SHIPPING
MINERAL SPRING WATER CO.
MOBILE REDUCTION SPECIALISTS
NATURE'S PURIST WATER
NEOPOST LEASING
NES EQUIPMENT RENTAL LP–(fka BRAMBLES EQUIP)
OSTEN INC.
PACKERLAND RENT-A-MAT, INC
PAGENET
PAGING NETWORK
PELTZ GROUP LLC
PITNEY BOWES INC (NOT CREDIT CORP)
PLANTERIORS OF WI
PREMIUM WATER INC – Chippewa Springs
RENTOKIL TROPICAL PLANT SERVICES
REUTERS
RPS INC.
SAFETY-KLEEN
SANIFILL
SAVRE GROUP INC
SECURITY LINK
SKYTEL CORP.
SPIC & SPAN INC.
SUPERIOR OF WISCONSIN
SUPERIOR SERVICES INC
SYSCO FOOD SERVICES
TAYLOR INDUSTRIAL
TEL SEC, INC.
TELECOMMUNICATIONS INCOME
TOWN & COUNTRY WASTE
TSR-WIRELESS-APPLETON
UNIFIED MERCHANT SERVICES
UNITED PARCEL SERVICE (UPS)
UPI
US FILTER INC
USA WASTE OF WISCONSIN
VIKING FIRE PROTECTION
WASTE MANAGEMENT (Excluding Chemical Waste Management)
WATER QUALITY IMPROVEMENT
WISCONSIN RECYCLING DISPOSAL
WORLDSPAN LP

Addresses of Manufacturing & Utility Offices
Wisconsin Department of Revenue

Lake Winnebago District – Area 75
Manufacturing & Utility Office
845 South Main Street, Suite 140
Fond du Lac, WI 54935-6116
Phone: 920-929-2962
Fax: 920-929-7202
Email: mfgtel75@dor.state.wi.us

Southern District – Area 76
Manufacturing & Utility Office
Mailing Address: PO Box 8909, Mail Drop 3-424
Madison, WI 53708-8909
Street Address: 2135 Rimrock Rd.
Madison, WI 53713-1443
Phone: 608-267-2163
Fax: 608-267-1355
Email: mfgtel76@dor.state.wi.us

Metro District – Area 77
Manufacturing & Utility Office
Rm. 530 State Office Building
819 North 6th Street
Milwaukee, WI 53203-1682
Phone: 414-227-4456
Fax: 414-227-4095
Email: mfgtel77@dor.state.wi.us

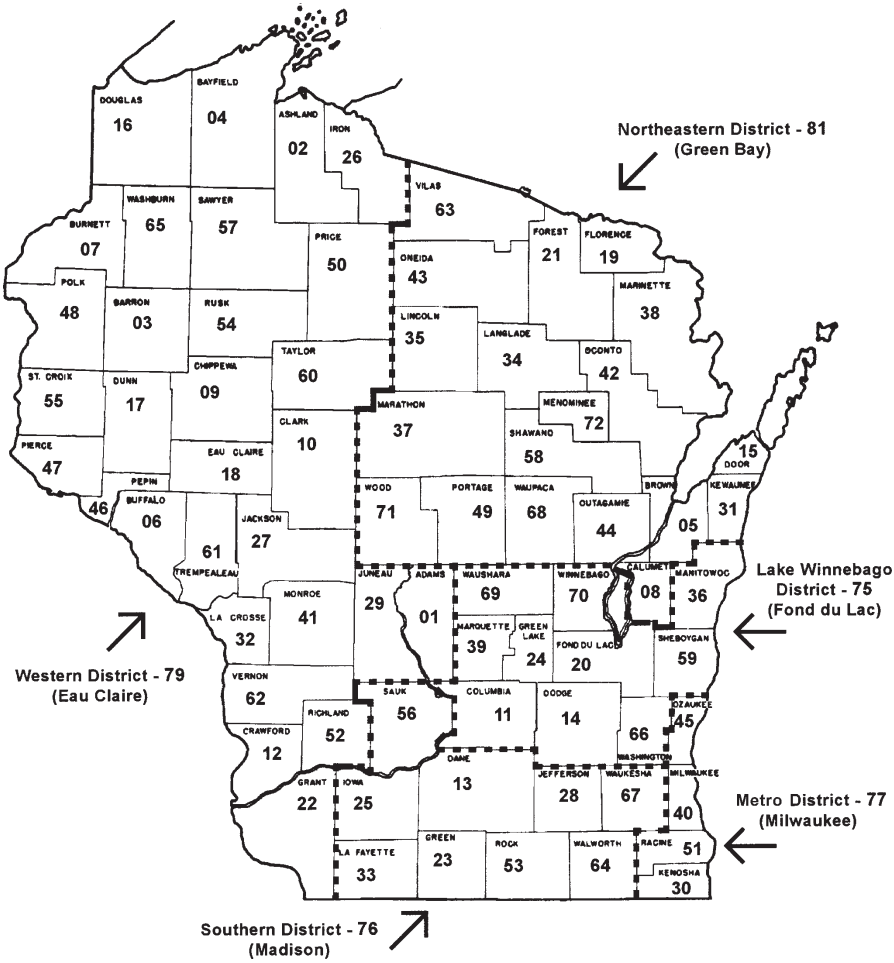
Western District – Area 79
Manufacturing & Utility Office
707 South Barstow
Eau Claire, WI 54701-3894
Phone: 715-836-4925
Fax: 715-836-6690
Email: mfgtel79@dor.state.wi.us

Northeastern District – Area 81
Manufacturing & Utility Office
200 N. Jefferson Street, Suite 626
Green Bay, WI 54301-5190
Phone: 920-448-5191
Fax: 920-448-5210
Email: mfgtel81@dor.state.wi.us

Alphabetical List of Wisconsin Counties

County Code	County Name	District Office Code	County Code	County Name	District Office Code	County Code	County Name	District Office Code
01	Adams	79	25	Iowa	76	49	Portage	81
02	Ashland	79	26	Iron	79	50	Price	79
03	Barron	79	27	Jackson	79	51	Racine	77
04	Bayfield	79	28	Jefferson	76	52	Richland	79
05	Brown	81	29	Juneau	79	53	Rock	76
06	Buffalo	79	30	Kenosha	77	54	Rusk	79
07	Burnett	79	31	Kewaunee	81	55	St Croix	79
08	Calumet	81	32	La Crosse	79	56	Sauk	76
09	Chippewa	79	33	Lafayette	76	57	Sawyer	79
10	Clark	79	34	Langlade	81	58	Shawano	81
11	Columbia	75	35	Lincoln	81	59	Sheboygan	75
12	Crawford	79	36	Manitowoc	75	60	Taylor	79
13	Dane	76	37	Marathon	81	61	Trempeauleau	79
14	Dodge	75	38	Marinette	81	62	Vernon	79
15	Door	81	39	Marquette	75	63	Vilas	81
16	Douglas	79	40	Milwaukee	77	64	Walworth	76
17	Dunn	79	41	Monroe	79	65	Washburn	79
18	Eau Claire	79	42	Oconto	81	66	Washington	75
19	Florence	81	43	Oneida	81	67	Waukesha	76
20	Fond du Lac	75	44	Outagamie	81	68	Waupaca	81
21	Forest	81	45	Ozaukee	77	69	Waushara	75
22	Grant	79	46	Pepin	79	70	Winnebago	75
23	Green	76	47	Pierce	79	71	Wood	81
24	Green Lake	75	48	Polk	79	72	Menomonee	81

Administrative Areas
Manufacturing & Utility Section
Wisconsin Department of Revenue



2005 SCHEDULE LL
LESSOR DATA REPORTING WORKSHEET

Lessor Name _____

Address _____

(1)	(2)	(3)	(4)			(5)	(6)	(7)	(8)	(9)	
		QUANTITY	LEASE			☐ Year Manu-factured ☐ Year Acquired	☐ Original Selling Price ☐ Cost of Acquisition-cost to mfr. ____ % markup ☐ Cost of Acquisition-wholesale cost ____ % markup ☐ Current Selling Price Used ☐ Other _____				LEAVE BLANK
NAME OF LESSEE PROPERTY LOCATION *(Address)*	TYPE OF PROPERTY, BRAND NAME, MODEL NO. & SERIAL NO. OF PROPERTY		Inception Date	Expiration Date	Lease Number	YEAR	COST OR PRICE	ANNUAL GROSS RENT	CAPITALIZED LEASE	JANUARY 1 ESTIMATE OF MARKET VALUE	

If you have more than seven leases to report, you may reproduce Schedule LL.