

Wisconsin Dept of Revenue State & Local Finance Newsletter April 2021



Message from John

Welcome to 2021

I know there are questions and concerns over what will happen with jobs, taxes, property values, and our residents as we wrap up the first quarter of 2021. Rest assured of a couple of things – we have dealt with hard times in the recent past and we are designed to weather storms.

With residential real estate values climbing due to above average home sales and pricing, over time, we may see a shift in the tax burden to residential homeowners. It is also likely that some businesses will request a decrease in their assessments due to their losses in 2020-2021.

Just as we dealt with the 2008 housing crisis, individual property assessments are not adjusted for real estate market changes unless the municipality is completing a revaluation. Current real estate sales play a role in establishing equalized values statewide, however, it's important to also look at trends over the long term, allowing us to survive the storm's catastrophe and financial profitability.

We need to remember that the Governor and President have worked hard to provide financial support for those in need. Together, we will work through this and bring our ship into harbor and out of the devastating waves of 2020. Hopefully, with a greater recognition for those who helped us weather the storm brought on by Covid-19.

John Dickert
SLF Administrator

Meet SLF's Newest Employees



Ryan Andersen joined our team as a Property Assessment Specialist in the Equalization Bureau's Green Bay district office. Before working at DOR, Ryan worked as a project manager for an appraisal firm for 13 years and as a sales representative for an insurance company for 18 months.



Jeff Blanch joined our Equalization Bureau's Eau Claire district office as a Property Assessment Specialist. Before working at DOR, he worked as a sales manager for a car dealership and as a purchasing manager for a major U.S. manufacturer. He also is a licensed high school sports official in Wisconsin.



Jeremy Blum started his new career as a Property Assessment Specialist in the Eau Claire Manufacturing & Utility district office in October 2020. Jeremy prior career was with the Wisconsin Department of Corrections.

Important Calendar Dates

- Apr 15** Due to DOR – TID administrative certification fees
- Apr 26** 2021 Annual Assessment Summary Report posted
- May 3** Due to DOR – Expenditure Restraint Program Worksheet, Room Tax Report and Municipal Financial Report (MFR) with populations over 2,500, Stratified assessment data (assessors)
DOR issues personal property aid payments
2021 TID Reports posted (active/terminations)
- May 17** Due to DOR – MFR extended deadline
- May 31** State Holiday – offices closed
- Jun 9** Initial Board of Review meeting deadline
- Jun 14** Due to DOR – Municipal Assessment Report and Statement of Assessment
Manufacturing full value rolls posted
- Jul 1** Due to DOR – TID Annual Report
- Jul 5** State Holiday – offices closed
- Jul 26** DOR issues exempt computer aid, video service provider aid, shared revenue, school tax levy credit and first dollar credit payments
- Jul 30** DOR releases Preliminary 2021 equalized, TID and net new construction values for review
- Aug 2** Due to DOR – MFR Tax 16 summary for populations over 25,000
- Aug 6** Due to DOR – Municipal feedback on Preliminary 2021 equalized, TID and net new construction values
- Aug 13** DOR posts Final 2021 equalized, TID and net new construction values
- Aug 16** DOR issues personal property aid estimates
- Aug 20** 2021 property tax bill updates announced

Manufacturing Assessment Completed in 2020

We completed all 2020 assessment work on schedule despite the challenges presented by the pandemic. We were fortunate that our team had the equipment required to quickly transition to teleworking when this unexpected crisis occurred in March – during our annual assessment season. During the summer and fall of 2020, our team continued teleworking on 'field review' and Board of Assessor (BOA) objections. Due to the pandemic safety guidelines, most onsite interior inspection of manufacturing properties was suspended.

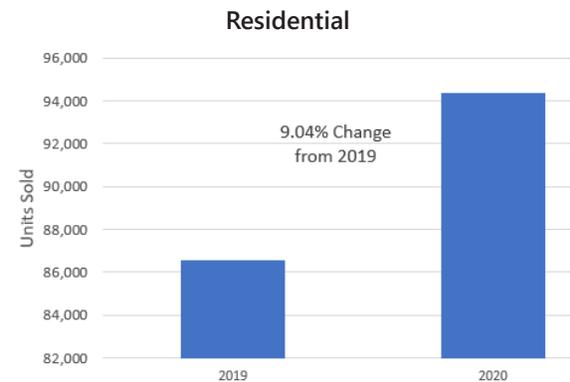
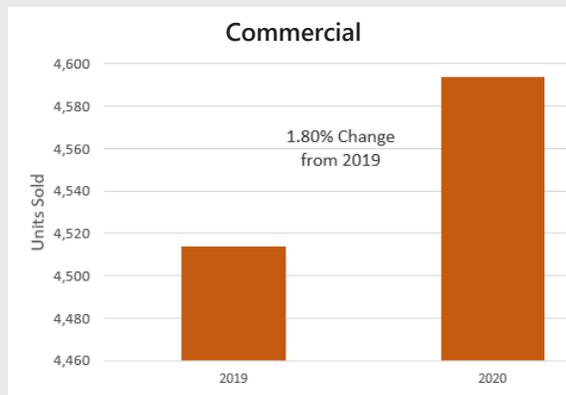
The information we would normally gather during onsite field reviews was collected through a robust interview process developed by our manufacturing supervisors. Property information was also accumulated from other sources and supplemented with an exterior viewing to assess accuracy of the property record and condition of the property. While interior inspections are preferred, the health and safety of our team, the manufacturers and public took precedent. Review of the 357 2020 BOA objections is complete. See what's happening in manufacturing for the 2021 assessment on page 4.



Residential and Commercial Market Values

The pandemic, along with historically low interest rates, lead to an active real estate market in Wisconsin during 2020. Based on real estate transfer return data, both the residential and commercial markets experienced increased activity in 2020 compared to the prior year for arms-length transactions.

- **Residential**
 - » 94,377 units sold, an increase of 9.04%
 - » \$248,400 average sale price, an increase of 8.33%
- **Commercial**
 - » 4,594 units sold, an increase of 1.80%



Property Assessment During Difficult Times

A municipality determines the type of assessment conducted for each assessment year. A 'revaluation' where all property assessments are updated to full value, based on market changes, or a 'maintenance' assessment where property values are updated for new construction, demolition and classification changes. A maintenance assessment does not update assessed values for market value changes.

For any assessment type, assessors must follow state law and the Wisconsin Property Assessment Manual. See Resources to the right, which provides links to 2021 property assessment information and the DOR COVID-19 Information and Announcements web page, as well as links to SLF contact information.

Resources

On our website:

- [2021 Property Assessment Information Q&A](#)
- [COVID-19 Information and Announcements](#)

Contact us with questions:

- Property assessment inquiries – bapdor@wisconsin.gov
- Municipal assessment reporting – your local [Equalization Bureau district office](#)
- Property tax inquiries – lgs@wisconsin.gov

2021 Law Changes

2019 Act 1

This act includes various changes to simplify DOR administration and improve customer service.

Information is available on the DOR website outlining [property assessment/taxation and shared revenue](#) updates, as well as, the income and sales tax updates within the [Wisconsin Tax Bulletin 212](#).

Annual Assessment Summary Report

This report is a tool that has been available on our website since 2020. The report's primary function is to provide local government officials a summary of assessment information for their communities; Wisconsin property owners should find the information helpful as well. (Note: This report is not the same as the Annual Assessment Report)

Report details

It captures information Wisconsin municipalities and counties provide to DOR annually. The 2021 report will be available the week of April 26.

Example of how the report works – 2021 assessment information will appear on the report after an assessor submits a Municipal Assessment Report and the clerk submits a Statement of Assessment to DOR.

To access/view report

- **Accessing** – visit our [Reports](#) web page and search "Annual Assessment Summary" or [click here](#) to go to the page directly
- **Viewing** – select the report year and county from the dropdowns in the top right; then select the municipality you would like to view. The report opens as a PDF file.

Each report includes

- **General Information** – assessment year, county-municipality, and Municipal Assessment Report type/date filed
- **Assessor Information** – contact information
- **Fast Facts** – total assessed and equalized values, and net new construction for current and prior assessment year
- **Parcel Count and Number of Acres by Class** – number of parcels and acres in each class (1–7) for the current and prior assessment year
- **Real Estate Sales** – valid, invalid and total sales for two years prior to assessment year
- **Assessment Level & Type** – for assessment year & four prior years
- **Additional Information** – helpful resources, including Wisconsin Assessors list and DOR contact information

Questions? Contact us at otas@wisconsin.gov.

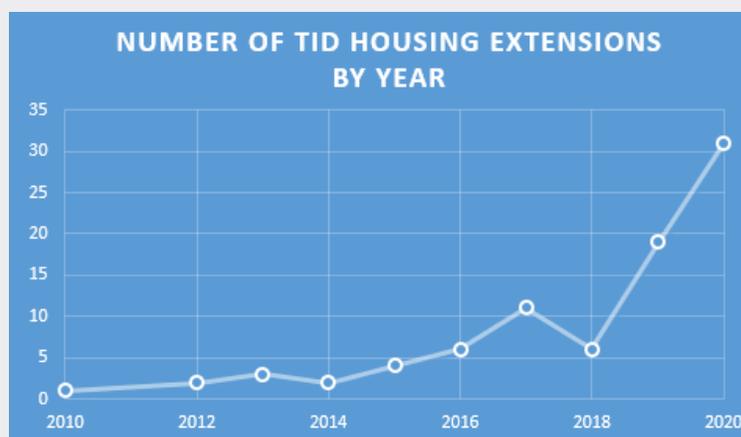


Increasing Trend for TIDs and the Affordable Housing Extension

Did you know if a Tax Incremental District's (TID) project costs have been paid, a municipality can decide to keep a TID active for one more year to collect the final increment for affordable housing costs? The municipality can spend these funds throughout the community, not just within the TID boundary.

Affordable housing extension requirements

- At least 75 percent of the funds must be used for affordable housing – affordable housing is housing that costs no more than 30 percent of the household's gross monthly income
- Remaining 25 percent may be used on housing in general
- Municipality adopts an affordable housing resolution and emails it to tif@wisconsin.gov



Affordable housing information

- [Municipal Tax Incremental Finance \(TIF\) Extensions](#)
- [Affordable Housing Extension Resolution Sample](#) – fillable resolution
- [Tax Incremental District \(TID\) – Extension Types](#)
- [TIF Affordable Housing](#) – common questions; 12-18

Questions? Contact us at tif@wisconsin.gov.

From the Local Government Services Bureau

Enhanced 2020 Municipal Financial Reports

We worked hard to improve this form by making enhancements to help save you time and improve accuracy. So far, we've received some positive feedback. If you have questions, contact us at lgs@wisconsin.gov.

Upgrades include

- Various lines are auto-filled with values
- Audit validation rules are present for most lines
- Audit warnings appear for lines needing further attention or documentation
- Additional error symbols showing lines to correct before submitting the report
- Amending a form is now quick and easy
- PDF copy matches the online form

Upcoming filing deadlines

- May 3 – for municipalities with populations over 2,500
- May 17 – extended deadline for all filers

Still need to file? Review these available resources.

The information you'll need is located on our [website](#):

- Forms A, C and CT including the instructions
- Video highlighting the recent form enhancements
- Link to MFR Training Resources page, which includes:
 - » Training videos and common questions

What's Happening in Manufacturing

The 2021 annual assessment for property classified as Manufacturing began in January. Most of the state's manufacturers (approx. 95%) file the required manufacturing returns (M-Forms) electronically through DOR's Manufacturing Assessment System (MAS), which was available in early January. The M-Form filing due date was March 1, with extension to April 1 upon written request. DOR issues reminder emails to manufacturers and notifies those accounts that are already late to minimize filing penalties.

MAS Filings Statistics as of April 2

Most manufacturers and utilities file their annual returns electronically. Many already filed by late-March (first due date was March 1). Our e-filing systems also allowed our staff working from home to audit e-returns and finalize assessments.

- 19,282 total manufacturing accounts in WI (real, personal property)
- 18,594 accounts authorized to e-file in MAS (96.4%)
- 8,867 accounts requested filing extension to April 1 (46.0%)
- 18,202 accounts have filed their 2021 M-Forms (94.4%)
- 1,080 accounts (5.6%) were in late status

The 2021 data is showing an improvement from 2020. If you look at the capture rate from year-to-year you can see a greater measure of success. The example below shows we captured nearly 20 percent of the non-filers from 2020.

Example: Non-filer rate: 2020 (6.9%), 2021 (5.6%) | Improvement: 6.9 – 5.6 = 1.3% of all accounts | Capture rate (YOY): 1.3 / 6.9 = 18.8%

Comparing April 2020 April 2021			
	% April 2020	% April 2021	% Chg
RE & PP authorized to e-file	95.8	96.4	0.6
Extensions requested	42.2	46.0	3.8
E-filed	89.2	91.2	2.0
Paper-filed	3.9	3.2	-0.7
Non-filers	6.9	5.6	-1.3

Telecommunications

The 2021 annual utility reports are also in the process of being filed. Telecommunications companies file their annual returns through My Tax Account. Other utilities including railroads, airlines and pipelines complete electronic forms (Excel and Adobe PDF), which are emailed to DOR.

From the Equalization Bureau

Developing Equalized Values

The Equalization Bureau works with municipal assessors throughout the year to collect information used to develop equalized values. The accuracy and timeliness of the information provided by assessors is critical to establish accurate equalized values and minimize corrections of the prior year value.

Field review – Equalization staff complete appraisal studies in various counties throughout the year. The studies result in an adjustment to a municipality's equalized value. Assessor property records are used in the appraisal process.

Sales and assessment information – Assessors review all sales that occur in their municipality to determine whether the sales are arms-length market transactions, and whether sales can be used in a ratio study. This information is provided to DOR electronically and used to measure the change in market value by class of property. Assessors also use this information to estimate the municipality's level of assessment for the current year (assessment ratio) and to complete revaluations.

Municipal Assessment Report (MAR) – Assessors are required to annually submit a MAR by the second Monday of June. This report details the assessment changes made for various reasons at the municipal level, by class of property. The reports are audited by Equalization staff and used to adjust a municipality's equalized value, calculate net new construction, and value tax increment finance districts. If the assessment roll is not complete by the second Monday of June, an estimated report is provided and used to establish the certified values issued on August 15. After the assessment roll is complete and the Board of Review has adjourned, a final MAR is submitted and used to calculate corrections to the values that are applied in the following year.

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



Training and Available Resources



Upcoming Training/Dates

SLF will be providing training at the events below:

- Apr 29-30 [Municipal Treasurers Association of WI Spring Conference](#)
- May 4 MyDORGov webinar for general users (*details below*)
- May 5 MyDORGov webinar for assessors (*details below*)
- Jun 9-11 [Clerks, Treasurers & Finance Officers Institute](#)
- Jul 12-16 [Clerks & Treasurers Institute](#)



DOR is hosting two MyDORGov Webinars in May – Sign up today!

We are excited to announce the upcoming My DOR Government Account webinars. We will provide a refresher on how to get started, discuss the latest enhancements, and much more!

To register, click the session date you'd like to attend:

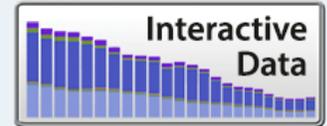
- [May 4](#) – general users (clerks, treasurers, accountants, etc.)
- [May 5](#) – assessors and assessment staff

Topics include – system enhancements, accessing the system, updating your contact information, and much more!

If you have questions, contact us at otas@wisconsin.gov.

Local Government Dashboard

DOR's Research and Policy Division updated the Local Government Dashboard with 2019 County and Municipal Revenues and Expenditures data.



The Local Government Dashboard contains data from 2001-2019 in five sections illustrating revenues, expenditures and general obligation debt. Other data in the dashboard include equalized values, population and approximate local tax rates.

Check out this dashboard and our other interactive data (assessed property values, sales taxes, etc.) on our [website](#).

Need More Information?

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

Common web resources

- [Governments web page](#)
- [Tax incremental financing information](#)
- [Reports](#) (*including interactive data (details above)*)
- [Government publications](#)
- [Property tax common questions](#)
- [Manufacturing common questions](#)



Still Have Questions?

Visit DOR's [Contact Us](#) page (under "Governments") – provides State and Local Finance contact information by topic and office locations.



DOR CORNER

Agency Collection Programs

Let the Wisconsin Department of Revenue (DOR) team collect for you! DOR provides debt collection services through our State Debt Collection program (SDC) and the Tax Refund Intercept Program (TRIP) to other state agencies, counties, and municipalities. We currently provide SDC services to over 650 agencies and TRIP services to over 1,400 agencies. We collected over \$132 Million in FY20 and over \$57 Million so far in FY21 on behalf of our SDC and TRIP agency partners.

The SDC program provides superior collection tools including payment plans, wage garnishments, bank levies, unclaimed property setoffs, and refund offset. Qualified debts are any debts owed directly to local government and could include real estate and personal property taxes, utility bills, local police and fire department, ambulance service debts, housing authority debts, court debts, and parking citations. For more details, visit revenue.wi.gov/sdc.

Event/Presentation Requests for DOR Agency Collections Staff

Would you like DOR Agency Collections staff to present on SDC and TRIP at your meeting or organization function? Email your request to DORAgencyCollections@wisconsin.gov. We are available for virtual presentations or breakout sessions to provide information to users and answer questions during your event. We can also set up a direct presentation to your agency.

Please include the following information in the request:

- Name of organization/agency
- Date(s) of event
- Number of attendees

Contact Information – Agency Collections has a shared email and phone number to ensure prompt assistance to agencies. Contact Dana Webber and Roxy Walker at DORAgencyCollections@wisconsin.gov or (608) 264-0344.