

I. Introduction

This publication addresses:

- A property owner's responsibility to request a refund from the municipality (town, village or city) for taxes paid in error due to a delayed determination from a Board of Review (BOR), Board of Assessors (BOA), or a court
- How and when a municipality:
 - » Files a request to chargeback refunded taxes under state law (sec. [74.41](#), Wis. Stats.), with the Wisconsin Department of Revenue (DOR)
 - » Requests an interest refund from the Wisconsin Department of Administration (DOA)

The chart on page 5 shows the steps a property owner and a municipality must take to recover and chargeback refunded taxes paid in error as determined by a reviewing authority, under state law (sec. [70.511](#), Wis. Stats.).

II. Reviewing Authority – Delayed Action Under Sec. [70.511](#), Wis. Stats.

A. Determination made after taxes levied

- **Sec. [70.511\(2\)\(a\)](#), Wis. Stats.** – states in part, "If the reviewing authority has not made a determination prior to the time of the tax levy with respect to a particular objection to the amount, valuation or taxability of property, the tax levy on the property or person shall be based on the contested assessed value of the property. A tax bill shall be sent to, and paid by, the person subject to the tax levy as though there had been no objection filed, except that the payment shall be considered to be made under protest. The entire tax bill shall be paid when due under sec. [74.11](#), [74.12](#) or [74.87](#) even though the reviewing authority has reduced the assessment prior to the time for full payment of the tax billed."
- **Sec. [70.511\(2\)\(b\)](#), Wis. Stats.** – states in part, "If the reviewing authority reduces the value of the property in question, or determines that manufacturing property is exempt, the taxpayer may file a claim for refund of taxes resulting from the reduction in value or determination that the property is exempt. If claim for refund is filed with the clerk of the municipality on or before the November 1 following the decision of the reviewing authority, the claim shall be payable to the taxpayer from the municipality no later than January 31 of the succeeding year. A claim filed after November 1 shall be paid to the taxpayer by the municipality no later than the 2nd January 31 after the claim is filed."

B. Value to be used in setting tax rate

If the reviewing authority does not complete its work before the time a municipality sets for establishing its current tax rate, the municipality must use the assessment roll's total value (including contested values) in setting its tax rate.

C. Interest

Under sec. [70.511](#), Wis. Stats., interest on the claim must be paid to the taxpayer when the claim is paid at the average annual discount rate determined by the last auction of six-month U.S. treasury bills before the objection per day for the period of time between the time when the tax was due and the date that the claim was paid.

Proceedings postponement:

- **Taxpayer requests**

- » Interest on the claim must permanently stop accruing on the request date
- » Reviewing authority must hold a hearing on the appeal within 30 days after the taxpayer requests the postponement unless the taxpayer agrees to a longer delay

- **Reviewing authority postpones without a taxpayer request**

- » Interest on the claim must continue to accrue
- » No interest may be paid if the reviewing authority determines the property value was reduced because the taxpayer supplied false or incomplete information (sec. [70.995\(8\)\(a\)](#), Wis. Stats.)

III. Municipality's Request for Refund of Interest Paid to a Manufacturer

If a municipality pays interest to a manufacturing property assessed under sec. [70.995](#), Wis. Stats., the municipality may request a refund of 20 percent of this interest from DOA under sec. [70.511\(2\)\(b\)](#), Wis. Stats. The municipality must send a written notification/request to DOA no later than July 1 for the interest payments made in the previous fiscal year.

Under sec. [70.511\(2\)\(b\)](#), Wis. Stats., DOA will reimburse a municipality (no later than the 3rd Monday of November) 20 percent of the interest the municipality paid in the previous fiscal year related to taxes refunded for property assessed under sec. [70.995](#), Wis. Stats.

Request should have refund details, including:

- Name of the manufacturer
- Amount of taxes refunded
- Total amount of interest paid
- Amount of interest to be refunded to the municipality by DOA (20 percent of the total interest)
- **Note:** Also include a copy of the determination or stipulation agreement

Send the request to:

Manufacturing Tax Refund Program
DOA, Division of Intergovernmental Relations
PO Box 8944
Madison WI 53708

Also send a copy of the request to:

Local Government Services Bureau
Wisconsin Department of Revenue
PO Box 8971 #6-97
Madison WI 53708-8971

IV. Submitting a Chargeback Request Under Sec. 74.41, Wis. Stats.

When a reviewing authority reduces a property assessment, a municipality must electronically submit [Form PC-201](#) to DOR no later than October 1.

A. Making a request

By October 1 each year, the municipal clerk must electronically file (e-file) [Form PC-201](#) (Request for Chargeback of Rescinded or Refunded Taxes) with DOR for the general property taxes on the tax roll. Complete a separate form for each real estate parcel number, personal property account, and year. The general property taxes must meet at least one of the following – the taxes were:

- Refunded to taxpayers under sec. [70.511](#), [74.35](#) or [74.37](#), Wis. Stats.
- Refunded or collected under sec. [70.43](#), Wis. Stats.
- Rescinded or refunded to taxpayers under sec. [70.74](#), [74.33](#) or [75.25\(2\)](#), Wis. Stats.

Either of these must also occur:

For assessments as of January 1, 2017 or prior

- Total of all chargeback requests to submit equals at least \$5,000 per tax year
- Tax to chargeback for any single description for any one year is \$500 or more

For assessments as of January 1, 2018 or later

- Tax to chargeback for any single description for any one year is \$250 or more
- Tax refunded/rescinded for any of the five assessment years immediately preceding the year Form PC-201 is submitted or taxes refunded/rescinded because of a court determination, must be submitted no later than one year after the date of the court's determination.
- **Note:** Requirement that all chargeback requests submitted must total at least \$5,000 per tax year no longer applies for assessments as of January 1, 2018 or later

B. Reminder

A municipality must refund the overpaid taxes, along with all applicable interest, to the property owner before submitting a chargeback request to DOR. For more information, review the chart located on page 5.

V. DOR Determination

- After the clerk submits a request to DOR, we determine the amount of rescinded or refunded taxes to chargeback to and collect from, each taxing jurisdiction where the municipality collected taxes. DOR also determines the amount of taxes collected under sec. [74.33](#), Wis. Stats., to share with each taxing jurisdiction where the municipality collected taxes.
- DOR's determination under this subsection is reviewable only under sec. [227.53](#), Wis. Stats.

A. Amount DOR determines may not include any interest except on refunds:

- Issued under secs. [70.511\(2\)\(b\)](#), [74.35](#), or [74.37](#), Wis. Stats
- Paid for property assessed under sec. [70.995](#), Wis. Stats.
- Not paid to the municipality by DOA under sec. [70.511\(2\)\(bm\)](#), Wis. Stats.

B. If DOR approves the chargeback request – Notice and Payment – sec. [74.41\(5\)](#), Wis. Stats.

- DOR certifies the chargeback amount to the municipal clerk and notifies each affected taxing jurisdiction by November 15
- Each taxing jurisdiction must pay the amount certified to the municipal treasurer by February 15 of the year following the determination

C. No effect on the mill rate limits – sec. [74.41\(6\)](#), Wis. Stats.

- DOR does not consider a tax levied by a taxation jurisdiction to fund an amount the taxing jurisdiction is required to pay, in determining whether the taxing jurisdiction complies with any statutorily imposed mill rate limit
- If DOR denies a chargeback request because it did not meet the minimum requirement of sec. [74.41](#), Wis. Stats., the municipality is responsible for the entire refund except for 20 percent of the interest refunded.

D. Levy limit – sec. [66.0602](#), Wis. Stats.

- The political subdivision's share of any amount of rescinded or refunded taxes determined and certified by DOR under sec. [74.41\(5\)](#), Wis. Stats., is exempt from that subdivision's levy limit. A municipal clerk should enter the subdivision's share of refunded/ rescinded tax in Sec. D, Line D of the Levy Limit Worksheet.
- For questions on DOR determinations, contact the [Equalization Bureau District Office](#) in your area.

VI. Summary

1. BOA (or a court) reduces the assessed value after the municipality levies the taxes (i.e., a delayed action under sec. [70.511](#), Wis. Stats.)
2. Property owner must pay property taxes even if a determination is not made before the taxes are due
3. Property owner must request a refund from the municipality for overpaid taxes
4. Municipality refunds overpaid taxes and applicable interest to the property owner
5. Municipality notifies DOA and DOR of its reimbursement request of 20 percent of the interest paid to a manufacturer due to a value adjustment of property assessed under sec. [70.995](#), Wis. Stats.
6. Municipality submits [Form PC-201](#): Request for Charge Back of Rescinded or Refunded Taxes to DOR by October 1
7. DOR determines by November 15 whether the municipality can chargeback the rescinded or refunded taxes to the other taxing jurisdictions and notifies the municipality and each affected taxing jurisdiction of the amount owed
8. Each taxing jurisdiction must pay the municipal treasurer the amount owed by February 15 of the year following the determination

VII. Contact Information

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

VIII. Chart

Delayed Action of Reviewing Authority – Refund of Tax and Interest and Chargeback Process

When a reviewing authority issues a determination reducing assessed value in 2023:

1. By November 1 in the year determination issued (2023)

- Property owner submits refund request to municipality by November 1, 2023
- Municipality must issue refund by January 31, 2024
- **If the refund is issued to the property owner:**
 - BEFORE October 1, 2023:
 - » Municipality requests interest refund from DOA no later than July 1 of each year
 - » Municipality may submit a chargeback request to DOR by October 1, 2023
 - » DOR will issue chargeback determination by November 15, 2023
 - » Taxing jurisdictions must reimburse municipality by February 15, 2024
 - AFTER October 1, 2023:
 - » Municipality requests interest refund from DOA no later than July 1 of each year
 - » Municipality may submit chargeback request to DOR by October 1, 2024
 - » DOR will issue chargeback determination by November 15, 2024
 - » Taxing jurisdictions must reimburse municipality by February 15, 2025

2. After November 1, 2023 but before October 1, 2024

- Property owner submits refund request to municipality after November 1, 2023, but before October 1, 2024
- Municipality must issue refund by January 31, 2025
- **If refund is issued to property owner:**
 - BEFORE October 1, 2024:
 - » Municipality requests interest refund from DOA no later than July 1 of each year
 - » Municipality may submit chargeback request to DOR by October 1, 2024
 - » DOR will issue chargeback determination by November 15, 2024
 - » Taxing jurisdictions must reimburse municipality by February 15, 2025
 - AFTER October 1, 2024:
 - » Municipality requests interest refund from DOA no later than July 1 of each year
 - » Municipality may submit chargeback request to DOR by October 1, 2025
 - » DOR will issue chargeback determination by November 15, 2025
 - » Taxing jurisdictions must reimburse municipality by February 15, 2026

Note:

- Municipalities that request interest refunds from DOA applies to interest related to manufacturing property assessed under sec. 70.995, Wis. Stats.
- Taxing jurisdictions must reimburse municipalities only for chargebacks approved by DOR. DOR notifies all parties of approved chargeback determinations.