



2021

**Lessor's Guide for
Reporting Leased
Manufacturing Equipment**

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I. Introduction

In 1973, the Wisconsin legislature created a state law (sec. [70.995](#), Wis. Stats.), making the Wisconsin Department of Revenue (DOR) responsible for the assessment of manufacturing real estate and personal property. The law also applies to personal property leased, rented or loaned to a state-assessed manufacturer. This law was created to help ensure fair and equitable assessments for manufacturing property and assessment uniformity statewide.

This guide provides you with answers to common questions, filing procedures and links to helpful resources.

II. Filing Responsibilities

A lessor who leases, rents, loans, or has personal property located in Wisconsin must report this property to the appropriate assessment authority, either DOR (manufacturing) or a municipal assessor (non-manufacturing). By statute, personal property is assessed where it is physically located, or customarily kept as of January 1.

A. Identifying Wisconsin companies as manufacturers

Review [Companies Classified as Manufacturing for Property Assessment](#) located on our website. It is a comprehensive, statewide list that provides:

- Manufacturing company name
- Company location by county and municipality
- District office assigned to that county and municipality

1. Manufacturing – report to DOR

- Report to DOR – personal property you lease to, rent to, loan to, or located at a company classified as manufacturing
- Wisconsin has four [Manufacturing & Utility Bureau District Offices](#)

2. Non-manufacturing – report to Municipal Assessor

- Report to the local municipal assessor – personal property leased to companies not classified as manufacturing
- [Wisconsin Municipal Assessor List](#) and the communities they assess

B. Reporting assets

1. Report to DOR

To report personal property leased to, rented to, loaned to, or located at a Wisconsin manufacturer, complete the M-L Form (PA-750L), located on our [website](#).

a. Electronic filing – M-L Form

We encourage leasing companies to file the M-L Form electronically. Electronic forms are convenient, easy to use and allow you to:

- File your form on a secure, confidential website
- Receive immediate confirmation of the filing
- Request a 30-day extension and receive immediate approval
- Prepare, save, view, and print returns online
- Automatically notify DOR of ownership and address changes
- View historical filings

b. Paper forms

- If you choose to file a paper copy of the M-L Form, download the electronic form from our [website](#)
- **Note:** DOR does not accept modified versions of the M-Form, prior year forms, or faxed paper returns (since original signature is required)

c. Filing deadlines and extensions

1) Filing date

To be considered timely filed, you must submit your M-L Form to DOR using one of the following methods with the stated guidelines:

- Deliver in-person – must be received by the appropriate [Manufacturing & Utility Bureau District Office](#) on or before March 1
- First class mail – must be postmarked on or before March 1
- Submit electronically – must be received and finalized by midnight, March 1
- Certified mail – must be postmarked by midnight, March 1
- **Note:** If the due date for the M-L Form filing or filing an extension fall on a Saturday or Sunday, the due date shifts to the following Monday

2) Filing an extension request

- Leasing companies can request one extension to April 1
- On or before March 1, file your written extension requests electronically, by email, first class mail or fax to the district office where the property is located
- DOR does not grant filing extensions based on a phone request
- All requests must include the DOR State Leasing Number – if you do not have one, contact the appropriate [Manufacturing & Utility Bureau District Office](#)
- **Note:** To file an extension request, use the same methods and due dates described in "1) Filing date" above

d. Completing the M-L Form

For schedule instructions, review the following M-L Form pages:

- Schedule A – Page 4
- Schedule LL – Page 4

e. Submitting your M-L Form

- File your form with the [district office](#) responsible for the location of your leased, rented or loaned personal property

- **Note:** If you no longer lease property in Wisconsin, write "NONE" on Schedule A and Schedule LL and then file your form

2. Report to municipal assessor

If the company you lease to is not classified manufacturing, use the [Statement of Personal Property \(PA-003\)](#), located on our website, to report leased assets:

- Limit what you report to items you lease, rent, or loan to non-manufacturing companies in Wisconsin
- File with the municipal assessor responsible for your taxing jurisdiction

III. Taxable Manufacturing Personal Property

All personal property is taxable, unless Wisconsin statutes provide a specific exemption. Generally, all personal property not used in the manufacturing production process is taxable, except computers and computer software which is exempt under state law (sec. [70.11\(39\)](#), Wis. Stats.), and waste treatment equipment which is exempt under (sec. [70.11\(21\)](#), Wis. Stats.).

Examples of taxable items include:

- Shipping and receiving equipment
- Raw material or finished product racking or tanks
- Forklifts used in a warehouse
- Equipment used to clean and maintain machines and buildings
- Equipment used in research and development
- Multi-function devices (MFDs), copiers, telephone systems and equipment
- Furniture, fixtures and office equipment
- All other property not listed on previous schedules. Examples include: pallets, beer kegs, rail cars, trays, returnable containers, and creative works of art
- Safety Items
- Leasehold improvements
- Boilers

Note: A more comprehensive list of taxable and exempt machinery and equipment is listed in the [M-P Form](#).

IV. Assessing Property

A. Who assesses

- **DOR** – in general, DOR assesses personal property leased to, rented to or loaned to a Wisconsin manufacturer
- **Municipal assessor** – Chapter 18 of the Wisconsin Property Assessment Manual allows the municipal assessor to assess low value items with no likelihood of qualifying as exempt M&E
- List of [Leasing Companies Locally Assessed](#) that may lease items to Wisconsin manufacturers
- The municipal assessor assesses property owned by these leasing companies regardless of who they lease to
- All assessable vending machines continue to be locally assessed

B. Methodology used to determine the assessment

1. True cash value (or market value)

- Statutory standard for valuing personal property
- Composite Conversion Factors – DOR develops the factors for groups of assets, based on an asset's anticipated useful life

- Factors include the impact of both appreciation and depreciation
- When the factors are applied to the acquisition cost of the asset, the result is a fair estimate of market value for the asset

2. Other methods used to determine market value

- a. Current selling price used – no depreciation is applied to this value
- b. Comparison to other similar equipment (ex: price guides)

V. Exempt Manufacturing Personal Property

The property tax benefits gained from a manufacturing classification applies to personal property. Under state law (sec. [70.11\(27\)](#), Wis. Stats.), DOR may grant an exemption for owned or leased manufacturing machinery and equipment used exclusively and directly in the production process. Using the statutes as a guide, the Manufacturing & Utility Bureau determines what machinery and equipment qualifies for an exemption.

[2017 Wisconsin Act 59](#), of the State budget bill, exempts from property taxes machinery, tools and patterns that were or would be reported on local personal property returns under Schedule C – Machinery, Tools and Patterns, under sec. [70.30](#), Wis. Stats. The exemption does not apply to manufacturing property.

A. DOR assesses taxable leased equipment to manufacturing companies

The manufacturer (lessee), being the company in charge of or in possession of the equipment, is responsible for the taxes on taxable leased equipment. The lessee is responsible for the taxes regardless of the contractual agreement between the lessor and the lessee.

B. Municipal assessor assesses leased equipment to non-manufacturing companies

- If the lessee is not classified as manufacturing, use the Statement of Personal Property ([Form PA-003](#)) to report leased assets
- File the statement with the municipal assessor responsible for your taxing jurisdiction
- Limit the statement to items you lease, rent, or loan to non-manufacturing companies in Wisconsin
- If your company is on the list of [Leasing Companies Locally Assessed](#), you should file the PA-003 Form with the municipal assessor responsible for your taxing jurisdiction

VI. Resources/Contact Information

Wisconsin Statutes

- State assessment of manufacturing property – sec. [70.995](#), Wis. Stats.
- General property taxes – [Chapter 70](#)

[Manufacturers landing page](#)

[State prescribed forms](#)

[Wisconsin Tax Appeals Commission](#)

[DOR Manufacturing Bureau District Office locations](#)