

2.4 TIF Termination

The termination of a Tax Incremental District (TID) is an important step. The process must be completed in a timely manner according to deadlines established by statute. This section describes the process, and when it is time to terminate their TID.

STEP ONE: Termination of TID by Resolution

A TID is terminated by an official resolution from the governing body of the municipality. Whether the TID has reached its maximum life, or has received tax increments that total more than the project costs or the municipal governing body chooses to dissolve for some other reason, the termination resolution is required. A sample of the termination resolution is available on the [DOR TIF Termination](#) page. A copy of the termination resolution should be sent with the [PE-223](#) (see step 3) to DOR.

TID Maximum Life

TID Type	Max Life
Any type created before 10/95	27 years
Blight/Rehab after 10/95	27 years*
Industrial after 10/95; before 10/04	23 years*
Ind. or Mixed-use after 10/04	20 years*

*Max life may be extended. See Section 2.2 TIF Amendment for details.

STEP TWO: Notification of DOR

Within 60 days of adoption of the termination resolution, the municipal clerk must notify DOR that the TID has been terminated. This notification establishes the effective termination date, and determines the timeframe for completing the final audits of the TID. This notification can be sent by mail, e-mail or fax.

If DOR is notified before May 15 of any year, the effective date of termination is the date notification is received. If the notification is between May 15 and December 31, the effective date is the following January 1.

When filling out the Tax Increment Certification (PE-209) form in the termination year, the clerk must check the "NO INCREMENT" box in the Certification of Increment Section. This tells DOR not to certify another increment for the TID. Beneath this line, the clerk must then check the box that indicates the reason for the termination:

- The first choice indicates that the municipality had previously terminated the TID by resolution on a specific date.
- The second choice indicates that the municipality will terminate this TID on an approximate date (before July 1).

Both options ask for the clerk to submit the PE-223, establishing the deadline for submitting the required final accounting of the TID to DOR. See "Step 3" for more information.

STEP THREE: Completion of TID Final Accounting

Upon notifying DOR that a TID has been (or will be) terminated, the clerk must also submit a [Final Accounting Agreement](#) (PE-223). This form establishes the deadline for submitting the final TID accounting and audit to DOR. The PE-223 explains what information must be contained in the accounting by law. Sample audits and accounting reports are available on the DOR website. The [TID Final Accounting Report](#) (PE-110) will be submitted electronically. Failure to complete the final accounting of a terminated TID within the specified time frame will delay the certification of the base value of future TIDs.

The municipality is required to complete DOR's Excel file that details expenditures and revenues over the life of the TID. Instead of using this file, the municipality may file its Final Audit Report/Financial Statements if they contain the same information found in DOR's Excel file. It should be emailed to tif@revenue.wi.gov at the same time the Final Accounting Report (PE-110) is completed online.

It is essential that the account balance is zero (\$0) upon termination of a TID. The final audit should show that all increment revenue collected by the municipality paid project costs, and any increment revenue in excess of the project costs was returned to the overlying taxing jurisdictions. If outstanding debt remains upon termination of a TID, it becomes the responsibility of the municipality. The transfer of general purpose revenue to cover this debt should be shown in the audit, resulting in a final account balance of \$0.

It may be beneficial for the TID to be terminated before all of the projects have been paid for; in such cases the TID account may have a positive balance upon termination. This balance may be placed into some sort of trust fund, and used to pay the costs when they come due. Each municipality, in consultation with their attorney and accountant, should make the decision for themselves as to whether this procedure is right for them.