

REAL ESTATE TRANSFER FEE

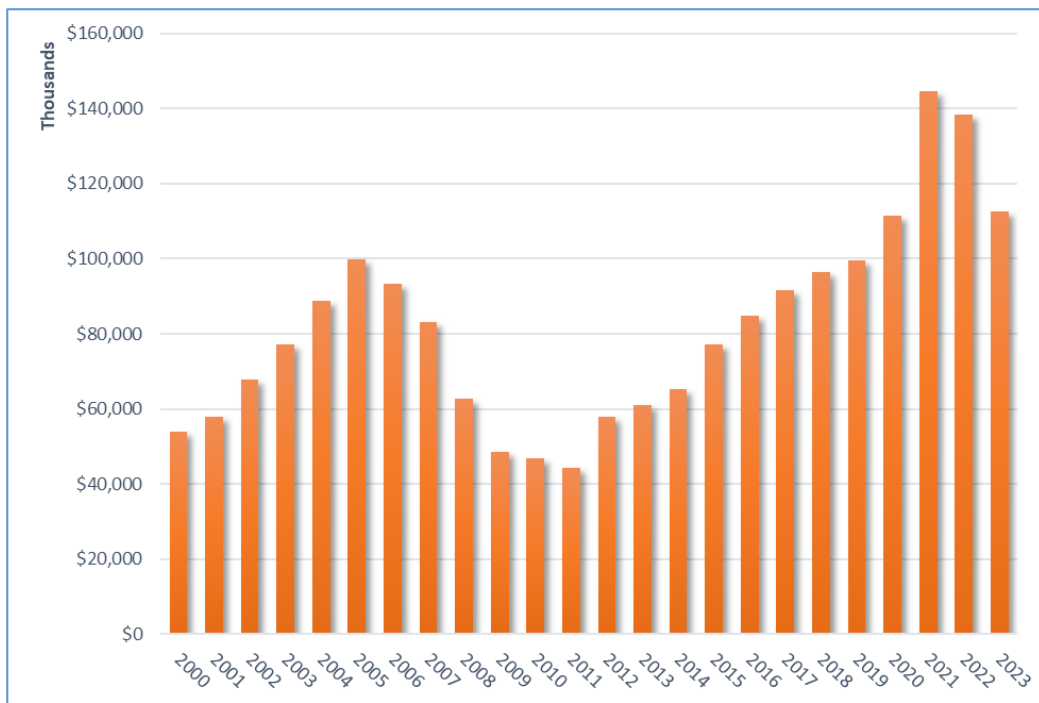
The following is a brief description of the real estate transfer fee. The intention is to give an overview of how the fee works, the amount of revenue collected under the fee, transfer fee statistics, and a list of exemptions from the fee.

Background

The real estate transfer fee was implemented in 1969, the year the federal stamp tax on real estate transfers was repealed. The current fee is \$0.30 for each \$100 of value or fraction thereof of the value of the property being transferred. For transfers that are a gift or for nominal consideration, the fee is based on the estimated market value of the property. Value data on real estate transfer fee returns are the main source of data the Department of Revenue (DOR) uses in its annual determination and certification of municipal equalized values.

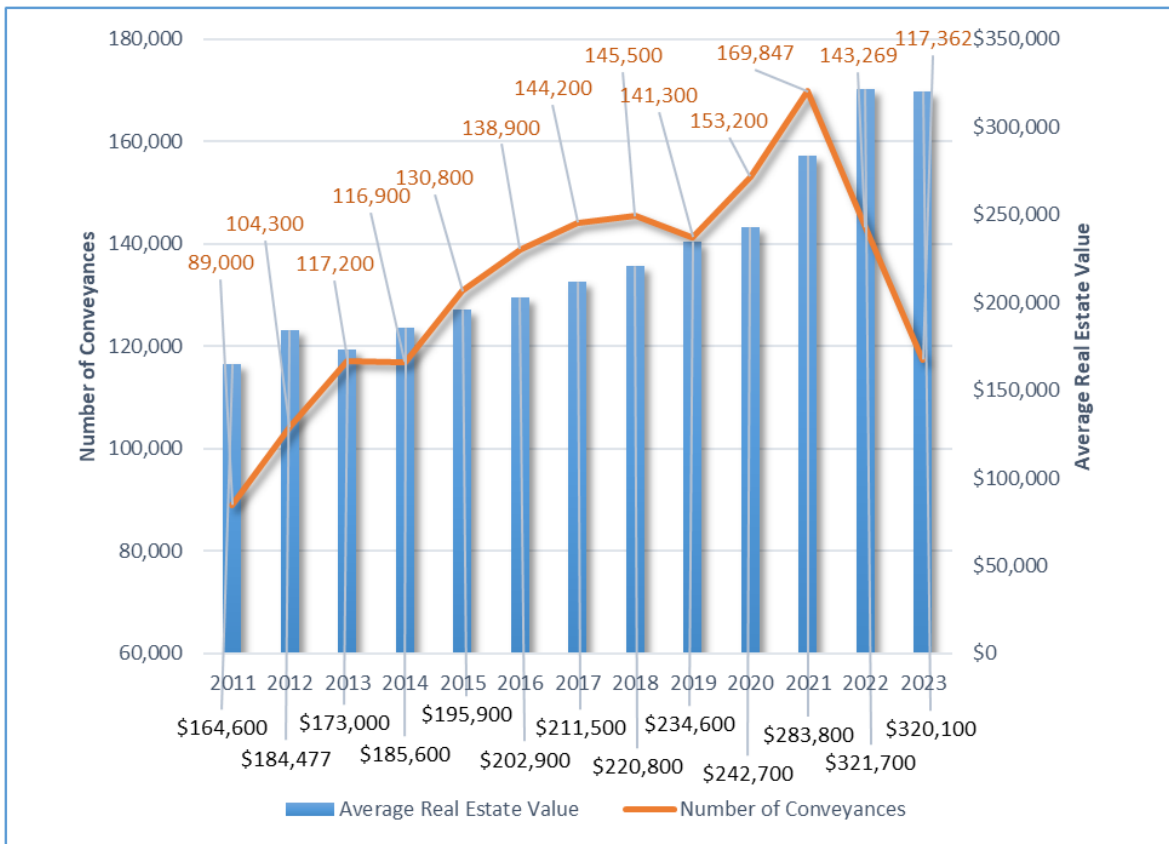
All real estate transfer fee returns must be filed electronically. If a return is filed correctly, a receipt is generated. This receipt, the property deed, and the proper fee are filed with the register of deeds to complete the transfer process. Of the total fee, counties receive 20 percent and the state retains the remaining 80 percent.

Chart 1: Total Real Estate Transfer Fee Collected



The total amount of real estate transfer fee collected in Wisconsin showed steady increases from \$54.0 million in 2000 to \$99.9 million in 2005. During the period between 2006 and 2011, however, the amount declined sharply from \$93.3 to \$44.2 million. Since 2012, the fee collected increased each year from \$57.8 million to \$144.6 million in 2021. The fee revenue decreased in 2022 to \$138.3 million and \$112.7 million in 2023. Appendix I contains additional statistics on real estate transfer fee collections.

Chart 2: Average Real Estate Value and the Number of Conveyances¹

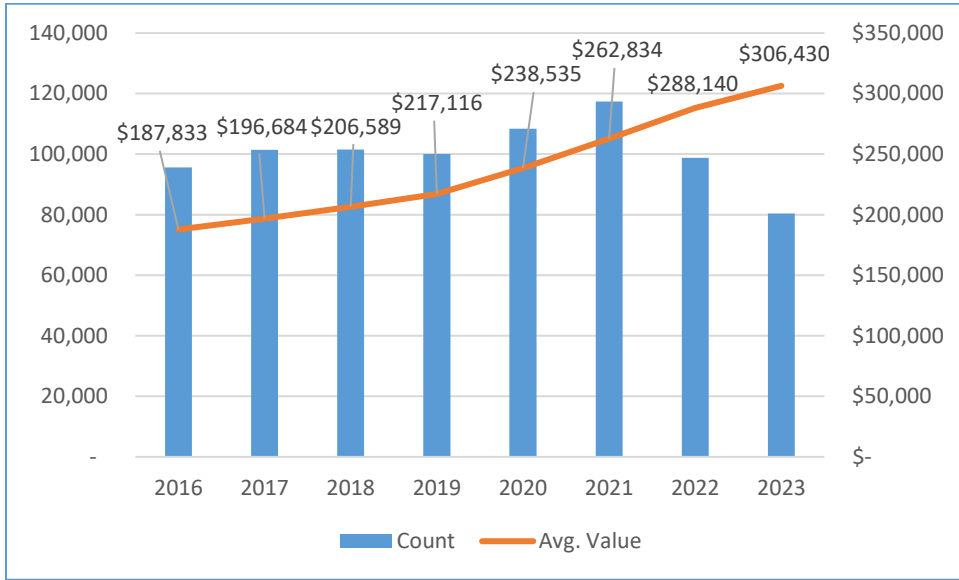


Between 2011 and 2021, the average real estate value showed an upward trend, with the market in Wisconsin experiencing increasing levels of activity in real estate transfers. Although the average price increased to \$321,700 and \$320,100 in 2022 and 2023, the number of conveyances decreased to 143,269 and 117,362 in 2022 and 2023. Appendix I contains additional statistics on real estate values and conveyances.

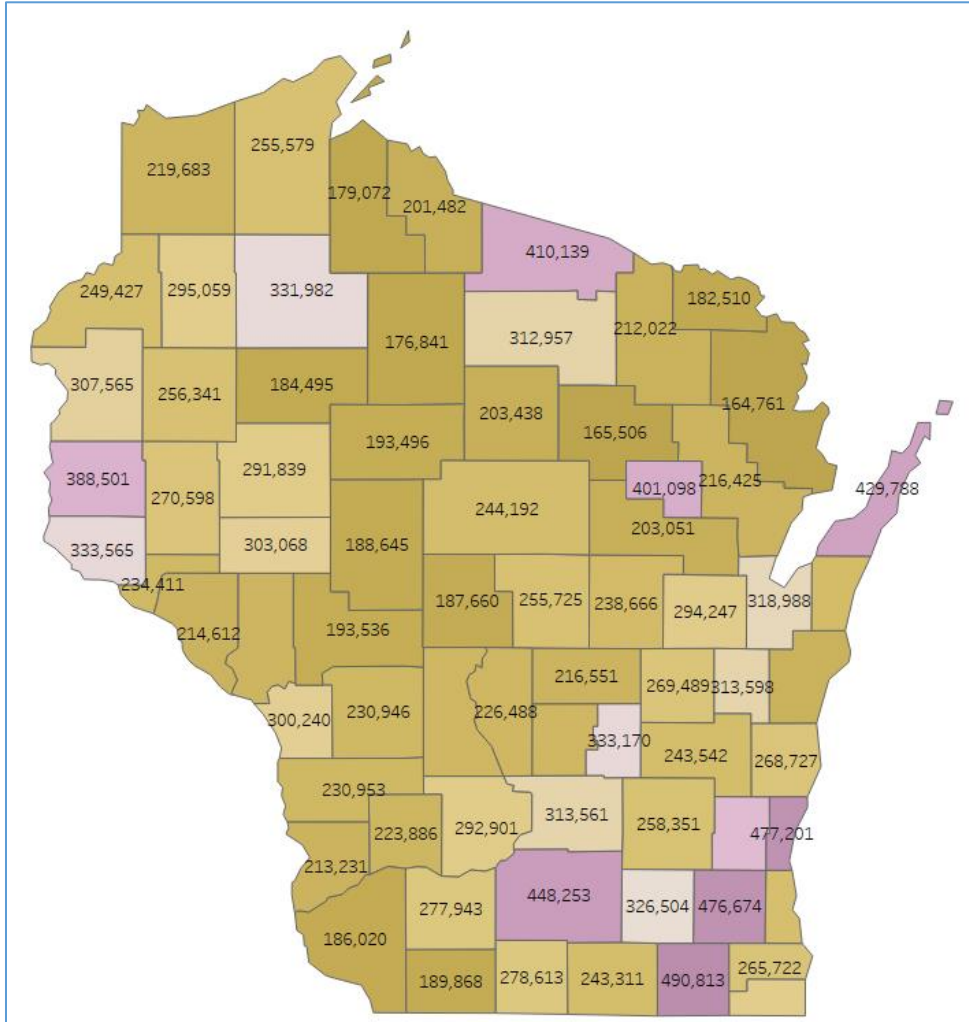
A deeper dive into the data, filtering on transactions with a predominate use of "single family" reveals the following results. In Chart 3, from 2016 through 2021, single family transactions had increasing counts and average values, while declining transaction counts occurred since 2021 with increasing average values. The map below shows average values by county for 2023. The highest average values occurred in Walworth, Waukesha, Ozaukee, Dane, Door, and Oneida counties.

¹ The number excludes conveyances that were exempt from the real estate transfer fee.

Chart 3: Single Family Residential

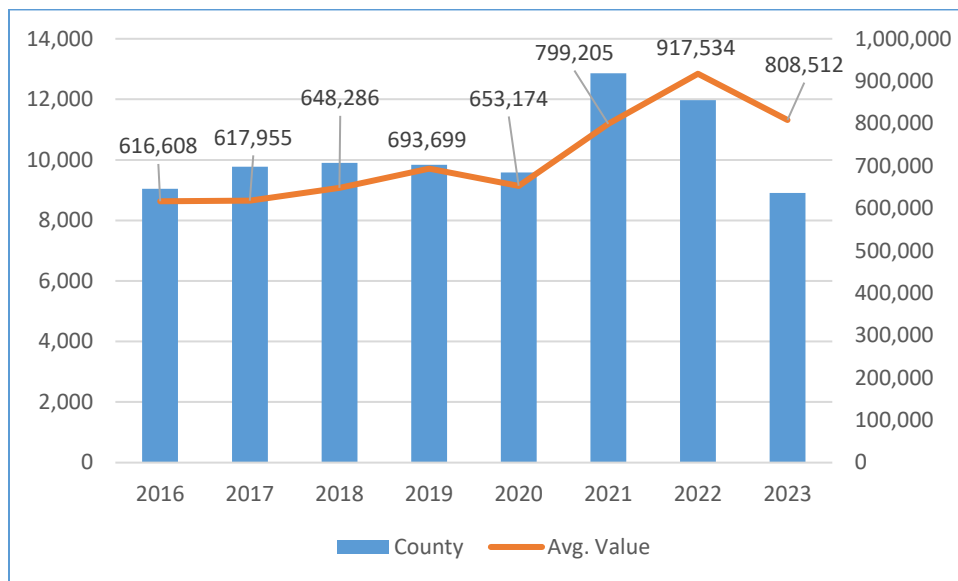


Map: 2023 Average Single Family Residential by County



Filtering on transactions with a predominate use of commercial and multi-family reveals slightly different results over the same period. Overall, average values are higher since 2016 but with a less of linear trend. Some of this could be a result of the variability between types of "commercial" property—such a car dealership versus a small retail store. In 2023, the average value declined compared with 2022 but was still higher compared with 2021. Similar with single family predominate use, since 2021 commercial and multi-family saw fewer overall transactions.

Chart 4: Commercial & Multi-Family



Exemptions from the Fee

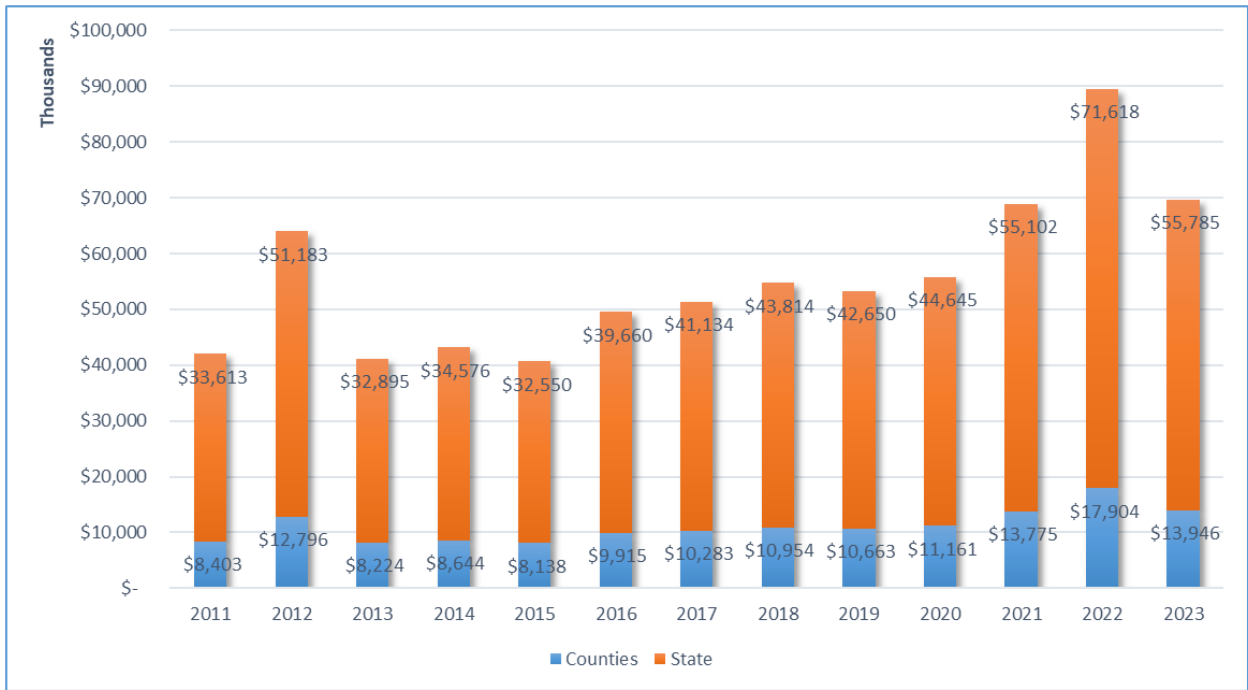
A real estate transfer is taxable unless exempted by law. A transfer could also be exempt if it does not meet the definition of a "conveyance" (such as an easement or a lease for less than 99 years), or because they are not deemed a sale. See Appendix IV for the types of conveyances exempt under Section [77.25](#), with the sub-section under which the exemption is granted.

Fiscal Effect of the Exemptions

The revenue loss of exemptions to the state (orange) and counties (blue) are shown in Chart 5 below. The estimated revenue loss due to a fee exemption only account for cases where a return is required for an exempt property. With that, the estimates maybe understated since certain² exempted conveyances are not required to file a return. The average revenue loss for the state between 2011 and 2023 was approximately \$43.6 million. Appendix III and IV have additional statistics on exemptions.

² Wis. Stats. [77.255](#) excludes conveyances exempt under s.77.25(1) and 77.25(10m) from filing requirements. Appendix IV has additional information on exemptions.

Chart 5: Estimated Revenue Loss Due to Exemption (in Thousands \$)



APPENDIX

Appendix I: Real Estate Value Subject to Real Estate Transfer Fee					
Year	Number of Conveyances³	Total Real Estate Value	Average Value	Median Value	Maximum Value
2011	89,031	\$14,657,325,611	\$164,632	\$109,000	\$40,800,000
2012	104,256	\$19,232,797,030	\$184,477	\$115,985	\$389,968,175
2013	117,169	\$20,271,333,136	\$173,009	\$120,000	\$51,870,000
2014	116,872	\$21,690,893,617	\$185,595	\$124,000	\$72,163,875
2015	130,775	\$25,615,028,336	\$195,871	\$130,000	\$38,000,000
2016	138,925	\$28,186,117,658	\$202,887	\$127,000	\$186,000,000
2017	144,245	\$30,508,677,645	\$211,506	\$142,500	\$144,974,300
2018	145,471	\$32,119,841,961	\$220,798	\$150,000	\$69,320,000
2019	141,277	\$33,143,162,707	\$234,597	\$160,000	\$101,250,000
2020	153,232	\$37,182,434,362	\$242,655	\$172,000	\$150,827,400
2021	169,847	\$48,205,120,452	\$283,815	\$187,000	\$171,180,000
2022	143,269	\$46,092,470,980	\$321,720	\$208,000	\$120,000,000
2023	117,362	\$37,563,827,069	\$320,069	\$220,000	\$82,855,300

Appendix II: Real Estate Transfer Fee per Conveyances Subject to Fee			
Year	Total Real Estate Transfer Fee	Average Fee Per Conveyance	Median Fee Per Conveyance
2011	\$43,976,385	\$494	\$327
2012	\$57,709,283	\$554	\$348
2013	\$60,815,111	\$519	\$360
2014	\$65,075,549	\$557	\$372
2015	\$76,846,246	\$588	\$390
2016	\$84,550,757	\$609	\$408
2017	\$91,526,106	\$635	\$428
2018	\$96,360,154	\$662	\$450
2019	\$99,429,548	\$704	\$480
2020	\$111,546,620	\$728	\$516
2021	\$144,616,908	\$851	\$516
2022	\$138,278,410	\$965	\$624
2023	\$112,692,524	\$960	\$660

Appendix III: Fiscal Effects of the Real Estate Transfer Fee Exemptions⁴			
Year	State	County	Total
2011	\$33,612,671	\$8,403,168	\$42,015,838
2012	\$51,183,370	\$12,795,843	\$63,979,213
2013	\$32,894,981	\$8,223,745	\$41,118,726
2014	\$34,576,288	\$8,644,072	\$43,220,360
2015	\$32,550,323	\$8,137,581	\$40,687,904
2016	\$39,660,038	\$9,915,009	\$49,575,047
2017	\$41,133,910	\$10,283,477	\$51,417,387

³ The number excludes conveyances that are exempt from the real estate transfer fee.

⁴ The figures excludes conveyances that are not required to file the real estate transfer fee returns.

Appendix III: Fiscal Effects of the Real Estate Transfer Fee Exemptions⁴			
Year	State	County	Total
2018	\$43,814,043	\$10,953,511	\$54,767,554
2019	\$42,650,419	\$10,662,605	\$53,313,024
2020	\$44,644,787	\$11,161,197	\$55,805,984
2021	\$55,101,930	\$13,775,482	\$68,877,412
2022	\$71,617,692	\$17,904,423	\$89,522,000
2023	\$55,784,565	\$13,946,141	\$69,730,707

Appendix IV: Real Estate Transfer Fee Exemptions for Calendar Year 2023				
Statutory Reference	Exemption	County	State	Total
77.21 (1)	Easements.	N/A	N/A	\$0
77.21 (1)	Leases for less than 99 years.	N/A	N/A	\$0
77.25 (1)*	Conveyances made prior to October 1, 1969, the date the fee went into effect, are exempt from the fee and from filing a transfer fee return.	\$100	\$200	\$300
77.25 (2)*	Conveyances from the United States, the state of Wisconsin, or from an instrumentality, agency, or subdivision of either, are exempt from the fee. Prior to February 2016, these conveyances were also exempt from filing a transfer fee return unless the seller was also a lender for the transaction.	\$212,000	\$847,800	\$1,059,800
77.25 (2g)	Conveyances by gift to the United States, the state of Wisconsin, or to an instrumentality, agency, or subdivision of either, are exempt from the fee.	\$10,400	\$41,500	\$51,900
77.25 (2r)*	Conveyances of land by sale or dedication under s. 236.29 (1) or (2) [recording of a plat] or s. 236.34 (1m) (e) [recording of a certified survey], or for the purpose of a road, street or highway, to the United States, the State of Wisconsin, or any instrumentality, agency or subdivision of either, is exempt from the fee. Prior to February 2016, these conveyances were also exempt from filing a transfer fee return.	\$6,600	\$26,400	\$33,000

Appendix IV: Real Estate Transfer Fee Exemptions for Calendar Year 2023

Statutory Reference	Exemption	County	State	Total
77.25 (3)	Conveyances that confirm, correct, or reform a previously recorded conveyance are exempt from the fee if the new conveyance is made for no, nominal, or inadequate consideration.	\$1,450,500	\$5,801,900	\$7,252,400
77.25 (4)*	Conveyances on sales for delinquent taxes or assessments are exempt from the fee. These conveyances are also exempt from filing a transfer fee return. The fiscal effect may therefore be understated. Prior to February 2016, these conveyances were also exempt from filing a transfer fee return.	\$14,300	\$57,100	\$71,400
77.25 (5)	Conveyances on partition of real estate that belongs to several persons as co-owners to those persons are exempt from the fee.	\$30,100	\$120,600	\$150,700
77.25 (6)	Conveyances pursuant to mergers of corporations are exempt from the fee.	\$100,800	\$403,300	\$504,100
77.25 (6d)	Conveyances pursuant to partnerships reorganizing as limited liability partnerships are exempt from the fee.	\$8,000	\$32,200	\$40,200
77.25 (6m)	Conveyances pursuant to the conversion of a business entity to another form of business entity under s. 179.76 [domestic limited partnership], s. 180.1161 [domestic business corporation], s. 181.1161 [domestic non-stock corporation], or s. 183.1207 [domestic limited liability company] are exempt from the fee if, after the conversion, the ownership interests in the new entity are identical with the ownership interests in the original entity immediately preceding the conversion.	\$61,900	\$247,400	\$309,300
77.25(6q)	Pursuant to an interest exchange under s. 178.1131	\$17,300	\$69,200	\$86,500
77.25(6t)	Pursuant to a domestication under s. 178.1151.	\$400	\$1,800	\$2,200

Appendix IV: Real Estate Transfer Fee Exemptions for Calendar Year 2023

Statutory Reference	Exemption	County	State	Total
77.25 (7)	Conveyances by a subsidiary corporation to its parent corporation for no consideration, nominal consideration, or in sole consideration of cancellation, surrender or transfer of capital stock are exempt from the fee.	\$44,500	\$177,800	\$222,300
77.25 (8)	Conveyances between parent and child, step-parent and step-child, and parent and son-in-law or daughter-in-law for nominal or no consideration are exempt from the fee.	\$683,100	\$2,732,600	\$3,415,700
77.25 (8m)	Conveyances between a husband and wife are exempt from the fee.	\$1,711,400	\$6,845,700	\$8,557,100
77.25 (8n)	Conveyances between an individual and his or her domestic partner under Chapter 770 (the "Domestic Partnership" Law) are exempt from the fee.	\$13,100	\$52,300	\$65,400
77.25 (9)	Conveyances between agent and principal or from a trustee to a beneficiary without actual consideration are exempt from the fee.	\$747,800	\$2,991,100	\$3,738,900
77.25 (10)	Conveyances to provide security or release security for a debt or obligation are exempt from the fee. However, for original land contracts filed before August 1, 1992, a transfer fee will be assessed when the documents relating to fulfillment of the land contract are filed.	\$35,900	\$143,500	\$179,400
77.25 (10m)	Conveyances for sole purpose of designating a time of death (TOD) beneficiary under s. 705.15 [statute that permits non-probate transfers of property at time of death] are exempt from the fee.	\$114,500	\$457,900	\$572,400
77.25 (11)*	Conveyances by will, descent, or survivorship are exempt from the fee. Prior to February 2016, these conveyances were also exempt from filing a transfer fee return.	\$2,194,100	\$8,776,300	\$10,970,400

Appendix IV: Real Estate Transfer Fee Exemptions for Calendar Year 2023

Statutory Reference	Exemption	County	State	Total
77.25 (11m)	Conveyances by non-probate transfer on death under s. 705.15 [statute that permits non-probate transfers of property at death] are exempt from the fee.	\$496,900	\$1,987,500	\$2,484,400
77.25 (12)	Conveyances pursuant to or in lieu of condemnation are exempt from the fee.	\$2,300	\$9,300	\$11,600
77.25 (13)	A provision of 2013 Wisconsin Act 66 provided that, beginning on December 14, 2013, conveyances of real estate having a value of \$1,000 or less are exempt from the fee. Prior to this date, the exemption applied to transfers of real estate having a value of \$100 or less.	\$500	\$2,200	\$2,700
77.25 (14)	Conveyances under a foreclosure or a deed in lieu of a foreclosure to a person holding a mortgage or to a seller under a land contract are exempt from the fee.	\$153,000	\$612,000	\$765,000
77.25 (15)	Conveyances between a corporation and its shareholders are exempt from the fee if (a) all of the stock in the corporation is owned by persons who are related to each other as spouses, lineal ascendants or descendants, siblings (by blood or by adoption), or spouses of siblings; (b) if the transfer is for no consideration except the assumption of debt or stock of the corporation; and (c) if the corporation owned the property for at least 3 years.	\$42,100	\$168,400	\$210,500
77.25 (15m)	Conveyances between a partnership and one or more of its partners are exempt from the fee if (a) all of the partners are related to each other as spouses, lineal ascendants or descendants, siblings (by blood or adoption), or spouses of siblings; and (b) if the transfer is for no consideration other than the assumption of debt or an interest in the partnership.	\$67,600	\$270,200	\$337,800

Appendix IV: Real Estate Transfer Fee Exemptions for Calendar Year 2023

Statutory Reference	Exemption	County	State	Total
77.25 (15s)	Conveyances between a limited liability company and one or more of its members are exempt from the fee if (a) all of the members are related to each other as spouses, lineal ascendants or descendants, siblings (by blood or adoption), or spouses of siblings; and (b) if transfer is for no consideration other than the assumption of debt or an interest in the limited liability company.	\$1,197,000	\$4,788,200	\$5,985,200
77.25 (16)	Conveyances to a trust are exempt if a transfer from the grantor to the beneficiary of the trust would be exempt under other provisions of the real estate transfer fee law (sec. 77.25, Wis. Stats.).	\$4,221,300	\$16,885,300	\$21,106,600
77.25 (17)	The recording of deeds in fulfillment of a land contract is exempt from the real estate transfer fee if the proper fee was paid when the land contract was recorded. (The fee on land contracts filed before August 1, 1992, is deferred until the contract is fulfilled. The fee on land contracts filed after July 31, 1992, is due when the contract is filed.) The intent of this provision is to prevent two fees from being imposed on the same land contract transaction. Therefore, this exemption does not reduce state revenues.	\$305,700	\$1,222,800	\$1,528,500
77.25 (18)	Transfers of property to a local exposition district organized under Subchapter II of Chapter 229, Wis. Stats., are exempt from the fee.	N/A	N/A	\$0
77.25 (20)	Conveyances from a fiduciary which held property for the benefit of an unincorporated nonprofit association to the unincorporated nonprofit association in the association's own name are exempt from the fee.	\$2,900	\$11,600	\$14,500

Appendix IV: Real Estate Transfer Fee Exemptions for Calendar Year 2023				
Statutory Reference	Exemption	County	State	Total
77.25 (21)	Conveyances of transmission facilities or land rights for transmission facilities by a utility company to a transmission company in exchange for securities in the transmission company are exempt from the real estate transfer fee.	\$100	\$400	\$500
TOTAL		\$13,946,200	\$55,784,500	\$69,730,700

**Conveyances under these exemptions are not required to file real estate transfer return.*