

Allocation Amendment Fact Sheet – Tax Incremental District (TID)

Within the same municipality, a TID with excess funds (the donor) can transfer funds to another TID (the recipient) through an allocation amendment. For more information, visit the Municipal Tax Incremental Finance Project Plan and/or Allocation Amendments [web page](#).

Donor TID must:

- Be created under sec. 60.23, sec. 66.1105 or sec. 66.1106 Wis. Stats.
- Have the same overlying taxing jurisdictions as the recipient TID

Municipality must:

- Adopt an Allocation Amendment Resolution before the expenditure period ends. Allocations may be made after the Municipal Allocation Amendment Resolution is adopted until the maximum life of the donor TID.
- Demonstrate the TID has sufficient revenue to pay for all its current project costs and has sufficient surplus revenue to pay eligible costs of the recipient TID
- Update the project plan for the donor TID and include a total amount and yearly breakdown for the allocations, if available

Distressed or Severely Distressed <i>(sec. 66.1105(4e)(d), Wis. Stats.)</i>	Allocations based on Recipient Type <i>(sec. 66.1105(6)(f)2, Wis. Stats.)</i>	Environmental Remediation (ER) TID Created on or before November 29, 2017 <i>(sec. 66.1106(2)(c), Wis. Stats.)</i>
<p>For a recipient TID classified as distressed or severely distressed, the donor TID may contribute excess increments for the below timeframes:</p> <ul style="list-style-type: none"> • Distressed – whichever is less: <ul style="list-style-type: none"> ○ 10 years past the donor TID's maximum life ○ Recipient TID's extended life • Severely distressed – whichever is less: <ul style="list-style-type: none"> ○ Until the donor TID exists for 40 years ○ Recipient TID's extended life 	<p>Recipient TID must meet one of the following conditions:</p> <ul style="list-style-type: none"> • Has project costs to create, provide or rehabilitate low-cost housing or to remediate environmental contamination • Is a blighted or rehabilitation/conservation TID • Is an Industrial or mixed-use TID designated as distressed or severely distressed • Is an ER TID <p>Donor restrictions:</p> <ul style="list-style-type: none"> • Once an industrial or mixed-use TID created after September 30, 2004 becomes a donor, it can no longer receive the standard extension to its maximum life, per (sec. 66.1105(6)(f)4., Wis. Stats.) • An ER TID created under sec. 66.1105 Wis. Stats. may only allocate to another ER TID 	<p>ER TID created under sec. 66.1106 allocating to either:</p> <ul style="list-style-type: none"> • Any ER TID • A TID meeting one of the following conditions (sec. 66.1105(6)(f)2, Wis. Stats.): <ul style="list-style-type: none"> ○ Has project costs to create, provide or rehabilitate low-cost housing or to remediate environmental contamination ○ Is a blighted or rehabilitation/conservation TID ○ Is an industrial or mixed-use TID designated as distressed or severely distressed

Certification Statement

As the Secretary of the Wisconsin Department of Revenue (DOR), I have reviewed this guidance document or proposed guidance document and I certify that it complies with secs. 227.10 and 227.11, Wis. Stats. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or rule that has been lawfully promulgated. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is more restrictive than a standard, requirement, or threshold contained in the Wisconsin Statutes.

DEPARTMENT OF REVENUE

A handwritten signature in black ink, reading "Peter W. Barca". The signature is written in a cursive style with a large initial "P" and a distinct "W" and "B".

Peter Barca

Secretary of Revenue