

Tax Incremental District (TID) – Allocation Amendment Types

Within the same municipality, a TID with excess funds (the donor) can transfer funds to another TID (the recipient) through an allocation amendment.

Donor TID must:

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

Municipality must:

- Adopt an allocation resolution for the donor TID **before** the donor and recipient TIDs reach their maximum life. The municipality may transfer funds after adopting the allocation resolution until the donor TID reaches its maximum life.
- Demonstrate the donor TID has enough revenue to pay its planned project costs and the amount it is allocating to the recipient TID
- Update the project plan for the donor TID and include a total allocation amount and yearly breakdown, if available

Distressed or Severely Distressed Recipient TID
(sec. [66.1105\(4e\)\(d\)](#), Wis. Stats.)

For a recipient TID classified as distressed or severely distressed, the donor TID may transfer surplus revenue for the below timeframes:

- **Distressed** – whichever is less:
 - 10 years past the donor TID's maximum life
 - Recipient TID's extended life
- **Severely distressed** – whichever is less:
 - Until the donor TID exists for 40 years
 - Recipient TID's extended life

Allocations based on Recipient Type
(sec. [66.1105\(6\)\(f\)2.](#), Wis. Stats.)

Recipient TID must meet one of the following conditions:

- 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

Donor restrictions:

- 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

Environmental Remediation (ER) TID
Created on or before November 29, 2017
(sec. [66.1106\(2\)\(c\)](#), Wis. Stats.)

ER TID created under sec. 66.1106 may allocate to either:

- Any ER TID
- A TID meeting one of the following conditions (sec. [66.1105\(6\)\(f\)2.](#), Wis. Stats.):
 - 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

For additional information, visit the Municipal Tax Incremental Finance Project Plan and/or Allocation Amendments [web page](#).