



2023 Annual Assessor Meeting

WI Dept of Revenue | Online Training | December 2023



Educators



- ▷ **Stephanie Holt**
Property Assessment Specialist
Manufacturing and Utility, Milwaukee
- ▷ **Zachary McClelland**
Director
Manufacturing and Utility
- ▷ **Patrick Grabner**
Supervisor
Equalization, Green Bay
- ▷ **Kathryn Soto Moreno**
Director
Office of Technical and Assessment Services

- ▷ **Scott Shields**
Policy Initiatives Advisor
SLF Administration
- ▷ **Mark Paulat**
Chief Training Officer
Office of Technical and Assessment Services



Announcements



- ▷ PowerPoint, handouts and resources on personal property are on the DOR website - Assessor web page
- ▷ Each learning session will have a quiz
- ▷ There is a final test at the end of all three sessions



Meeting Instructions



Getting Started



- ▷ To receive credit for the Annual Assessor Meeting
 - Answer all the questions on the quiz and final test
 - Obtain a passing score of 100%
 - Unlimited attempts
 - Questions answered incorrectly are repeated

- ▷ Certificate is provided upon successful completion of the final test
 - Certificate is saved in your DOR-SLF eLearning account
 - Certificate does not need to be sent to DOR
 - Certification records are updated by DOR



Getting Started



- ▶ Credit for completing the 2023 Annual Assessor Meeting is not granted if a certificate is not issued
- ▶ If there is an error, contact bapdor@wisconsin.gov



Benefits



- ▶ Assessors
 - Simplified signup and login
 - Easier to participate in training
 - Improved educational experience
 - More training/development opportunities
 - Tools to manage education requirements



Benefits



- ▷ Wisconsin Department of Revenue
 - Electronic upload of course rosters to certification system
 - Ease of managing education for all users





2023 Annual Assessor Meeting

Wisconsin Department of Revenue – Manufacturing
Online Training 2023



Manufacturing



Topics

- ▷ Contact list and district map – provided in handouts
- ▷ Wisconsin Manufacturing & Agriculture (M&A) Credit
- ▷ Information Sharing
- ▷ 2023 Wisconsin Act 12
- ▷ Website – Manufacturing



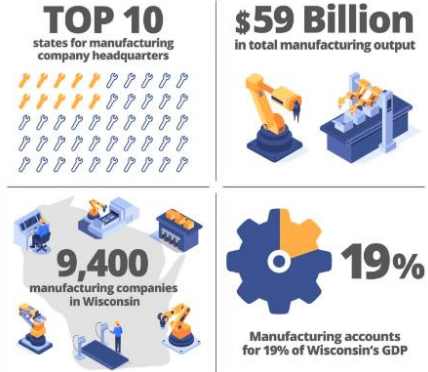
Manufacturing & Ag Credit (M&A) Definition

- ▶ The manufacturing and agriculture credit is an income/franchise tax credit which applies against taxes on income from manufacturing and agricultural activity in Wisconsin. It is available to claimants that derive qualified production activities income from property located in Wisconsin that is assessed as either manufacturing or agricultural.



Wisconsin Manufacturing & Ag Credit History

- ▷ Created by 2011 Act [32](#) (2011-13 Budget)
- ▷ Originally known as Qualified Production Activities credit
- ▷ 2011 Act [232](#) repealed and recreated the credit
- ▷ 2013 Acts [20](#) and [54](#) made technical changes:
 - Limited credit to tax resulting from business operations
 - Created valuation criteria for rental property and for determining the average value of property
- ▷ 2015 Act [55](#) provided that credit may be claimed in the year DOR approves a business to be classified as a manufacturer
- ▷ 2017 Act [59](#) provided that qualified production activities income must be reduced by the amount used to claim the credit for net tax paid to other states
- ▷ 2019 Act [167](#) allowed crop insurance proceeds to be considered production gross receipts



M&A Brief Summary

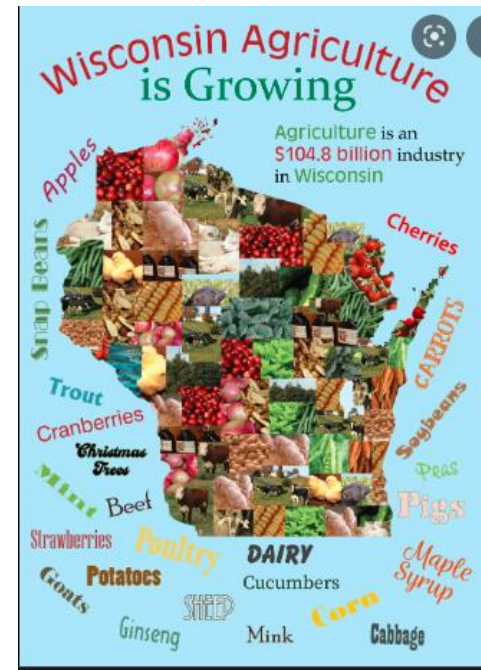
- ▶ Credit applies against taxes on income from manufacturing and agriculture activity in Wisconsin
- ▶ Credit rate is 7.5%
- ▶ Offsets top tax rates of 7.90% (corporate income tax) and 7.65% (individual income tax)

Wisconsin Manufacturing and Agriculture Credit



Who May Compute the Credit

- ▷ Individual
- ▷ Corporation
- ▷ Estate or Trust*
- ▷ Partnership*
- ▷ Limited Liability Company*
- ▷ Tax-option (S) Corporations*
- ▷ *These entities cannot claim the credit but the eligibility for and the computation of the credit are based on the entity's business operations. The beneficiaries, partners, shareholders, & members can claim the credit.



Who may not claim credit

- ▷ Insurance Companies
- ▷ Estates or Trusts*
- ▷ Partnerships*
- ▷ Limited Liability Companies treated as partnerships*
- ▷ Tax-option (S) Corporations*
- ▷ *These entities cannot claim the credit but the eligibility for and the computation of the credit are based on the entities business operations. The beneficiaries, partners, members, & shareholders can claim the credit.



Requirements to claim credit

- ▷ Property must be assessed as manufacturing or agricultural
- ▷ Must produce qualified production activities income from that property
- ▷ Property must be located in Wisconsin



Manufacturing Assessments

- ▷ Performed by DOR's Manufacturing Bureau
- ▷ Application to verify assessment:
<https://ww2.revenue.wi.gov/RETRWebRolls/application>
- ▷ Regional office contacts:
<https://www.revenue.wi.gov/Documents/mfgcla.pdf>
- ▷ General questions: mfgtelco@wisconsin.gov



Agricultural Assessments

- ▷ Performed by local assessors
- ▷ Local assessor contact list:
<http://www.revenue.wi.gov/training/assess/assrlist.pdf>
- ▷ Both manufacturing and agricultural property assessments must be reviewed each year for eligibility



Computation of Credit



Production gross receipts

Less: Cost of goods sold

Direct costs

Indirect Costs multiplied by production gross receipts factor

= Qualified production activities income

Multiplied by manufacturing property factor or agriculture property factor

= Eligible qualified production activities income

Multiplied by 7.5%

= Total credit



ABC Example – Tax Return



\$175,000 Taxable income (**only mfg. income**)

X 7.9% Corporate tax rate

\$ 13,825 Gross tax

– 13,125 Manufacturing & Agriculture Credit

\$ 700 Net tax



M&A Credit Resources

- ▷ Fact Sheet #1107
<http://www.revenue.wi.gov/taxpro/fact/manufandagr.pdf>
- ▷ Common Questions
<http://www.revenue.wi.gov/faqs/ise/manufagr.html>
- ▷ Wisconsin Tax Bulletins #172, 175, 179, 180, 183, 184, 196, 197, 202, 209, 212, 213, 216, and 217
<https://www.revenue.wi.gov/Pages/ISE/wtb-Home.aspx>
- ▷ Forms and Instructions
<https://www.revenue.wi.gov/Pages/HTML/formpub.aspx>
- ▷ Sections 71.07(5n) and 71.28(5n), Wis. Stats.
<https://docs.legis.wisconsin.gov/statutes/statutes/71>
- ▷ For More Information or Questions Contact:
(608) 266-2772 or email questions to:
- ▷ <https://www.revenue.wi.gov/Pages/ContactUs/dorhelp.aspx?subject=dorfranchise>



Information Sharing

- ▷ From DOR Manufacturing
 - Letters shifting assessment responsibility to or from Manufacturing are mailed to the municipal assessor & clerk, and real property lister
 - Board of Assessor appeal acknowledgements & determinations are mailed to the municipal clerk
 - Tax Appeals Commission appeal final adjudication or settlement documents are sent to the municipal clerk and cc'd to the RPL and/or county treasurer

- ▷ Real Property Lister
 - Share splits and combinations with Manufacturing
 - Review Notification, Full Value and Equated rolls for accuracy



Information Sharing (cont.)

▷ Municipal Assessor

- Share splits and combinations with Manufacturing
- Share building permits
- Share information about the sale or expansion of manufacturing parcels
- Share information about the sale of large agricultural parcels that may be used in manufacturing (frac or mining)
- Share industry information, economic influences, zoning changes, TID creations or closings



2023 Wisconsin Act 12

- ▶ Exempts personal property from taxation
 - Effective date January 1, 2024
 - Exempts State assessed manufacturing personal property under Ch. 70
 - Exempts State assessed railroad personal property under Ch. 76

- ▶ Maintains personal property assessment and taxation for:
 - Completion of the 2023 personal property tax collections during 2024
 - Correction of 2023 personal property errors on the 2024 assessment roll
 - Assessment of omitted personal property from the 2022 and 2023 on the 2024 assessment roll, or omitted from 2023 on the 2025 assessment roll

- ▶ Manufacturing income credit
 - Provides a process for manufacturing establishments that do not own real property in the state to continue claiming the manufacturing income tax credit



2023 Wisconsin Act 12 – (cont.)

▶ Aid payments

- Creates aid payments to taxing jurisdictions for the loss of personal property tax revenue beginning in 2025

▶ Questions on these topics, contact:

- Property assessment: bapdor@wisconsin.gov
- Manufacturing income tax credit: DORFranchise@wisconsin.gov
- Manufacturing property assessment: District office where the property is located
- Airlines, railroads, telecommunications and utilities: utility@wisconsin.gov
- Aid payments, local government finance: lgs@wisconsin.gov
- Tax incremental finance: tif@wisconsin.gov



Manufacturers Web Page

revenue.wi.gov/Pages/Manufacturing/home.aspx

- ▷ Online services – taxpayers and preparers
- ▷ Assessment rolls
- ▷ Reports
- ▷ Appeals and objection forms
- ▷ Guides
- ▷ Resources
- ▷ Common questions
- ▷ Common forms





2023 Annual Assessor Meeting

WI Dept of Revenue | State and Local Finance Division – TELCO
Online Training | December 2023



Utility and Telco Updates



Topics

- ▷ Personal Property Tax Exemption
- ▷ Solar and Wind Assessment
- ▷ Form UT-149
- ▷ Cell Towers



Act 12 – Personal Property Tax Exemption

- ▷ Exemption was not extended to Chapter 76 Utility & Telco Companies
 - Except – Railroad Personal Property
- ▷ Cell towers
 - Similar to other equipment with questions on RE vs PP
 - Review the lease
 - Use 3-factor test to make determination
 - Physical Annexation
 - Application / Adaptation for use
 - Intention



Solar/Wind Assessment Responsibility

- ▷ Qualify as a Light, Heat, Power Company
- ▷ Does the project have 50+Megawatt generating capacity and a Wholesale Electric Company?
 - Yes = typically assessed by the State
 - No = possible local assessment
- ▷ Is the project and all other projects of the owning entity located in a single municipality?
 - Yes = local assessment
 - No = state assessment



Solar /Wind Reminders

- ▷ Parcels in a project CAN be partially exempt, and partially leased
- ▷ Once the UT-149 is received. DOR makes decision if utility qualifies



UT-149

- ▷ DOR requires the utility to report operating property on state prescribed forms:

Important -- to ensure this form works properly, save it to your computer before completing the form. Save Print Clear

Form **UT-149** **Utility/Telco Real Property – Operating** **WI Dept of Revenue**
Due date: Feb 15

General Information
Property owned or leased by a public utility and used in its operations is subject to state assessment under Chapter 76, Wis. Stats. This form is particularly important in controlling the assessment of property subject to either Ch. 70 or Ch. 76 jurisdiction.

Note: Assessors – this property is state assessed
Authority – sec. 76.23 and 76.28(9), Wis. Stats.
If a general structure is used and useful in part in the operation of the business of those companies in this state and in part for nonoperating purposes, the taxes or license fees imposed under Chapter 76 are in place of the percentage of all other taxes on the property that fairly measures and represents the extent of the use and usefulness in the operation of the business of those companies in this state, and the balance is subject to local assessment and taxation, except that the entire general structure is subject to special assessments for local improvements.

Section 1: Utility Information
Name (airline, pipeline, railroad, telco, utility)

Address			Phone () -	
City	State	Zip	Email	

Section 2: Property Information

This real property is: <input type="checkbox"/> Leased <input type="checkbox"/> Owned	Taxation district (Check one) <input type="checkbox"/> Town <input type="checkbox"/> Village <input type="checkbox"/> City	County
Property is: (check one) <input type="checkbox"/> Land only <input type="checkbox"/> Land and improvements	Enter municipality --	
Land – square footage/ or percentage of total area Acres sq ft percent (%)	Improvements – square footage/ or percentage of total structure Acres sq ft percent (%)	
Leased property street address	Tax parcel no.	

Section 3: Lease Information

Property lessor name	Business type	
Address	Phone () -	Fax () -
City	State	Zip
Annual rent paid	Lease date (mm-dd-yyyy)	Term

Section 4: Preparer Information

Name	Phone () -	
Email	Fax () -	Date (mm-dd-yyyy)

Completed copy sent to: Lessor/Utility Local Assessor Manufacturing & Utility Bureau

UT-149 (R, 9-19) To Instructions

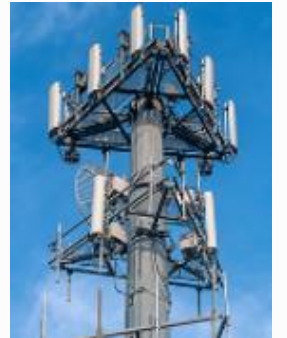


UT-149 Reminders

- ▷ Utility company files UT-149 (Operating Utility, Owned/Leased Real Property) form by February 15th deadline
- ▷ Property recorded on this form should NOT be assessed locally
- ▷ The assessor should also monitor lease expiration dates on form UT-149 to ensure land should not be assessed locally

Manufacturing ,Telco and Utilities

- ▷ Form PR-303 Energy System Exemption Request (*p. 8-23*)
- ▷ Solar and wind (*Ch 12*)
- ▷ Towers and ISPs (*p. 13-70*)
- ▷ Manufacturing assessments (*Ch 18*)
- ▷ Internet service providers
(*p. 18-36*)



Tower Data

- ▷ Tower Information List is located on our website
- ▷ Towers were reported to DOR as personal property and valued on a schedule with a 25-year useful life
- ▷ Original cost of all towers were reported by municipality, not by individual location
- ▷ Multiple locations for each tower company may exist in any municipality listed



Tower Data (Continued)

- ▷ Contact Tower Companies Directly
 - Americantower.com
 - Abasite.com
 - Arowncastle.com
 - Other resources for tower information:
 - Federal Communications Commission (FCC) – Antenna Structure Registration
 - Antenna Search
 - Cell Reception – Towers



Tower Reminders

- ▷ Ownership is the deciding criteria. We need ownership information to be able to answer questions of jurisdiction.
- ▷ If companies are building towers, they must get building permits.
- ▷ Local assessors (should) have access to that permit information or know who and where to find it.
- ▷ They can also get registration / federal permit information from the FCC and other data sources which we provided to local assessors in 2018.

Local Tower Example

- ▷ Tower company pulls permit as OWNER
- ▷ City creates personal property account
- ▷ Discovery of property continued to establish ownership



State Assessed Tower Example

- ▷ Tower company has construction permit however...
- ▷ Assessor contacted American Tower
 - Sold to Verizon
 - Verizon is now the tower owner
 - Assessed as TELCO property
 - Personal Property Roll Changed
 - PA-5/661 Corrections of Error filed by Assessor



End

Utility and Telco Updates

