

Roadmap to **WISCONSIN PROPERTY TAXES**

General Assessment Overview

Wisconsin's taxable property is assessed at 100% of its fair market value as of **January 1** of each year.

Most cities, villages, or townships now have levels of assessment between 90% and 110% of market value, as equalized based on sales-ratio studies performed by the state Department of Revenue (DOR). Reappraisals may occur when the sales-ratio falls out of this range.

When a property sells, the transaction is required to be submitted to the assessor. The Wisconsin DOR directs local assessors to treat purchase prices as the leading indicator of value. Reassessment values at the purchase price is a possibility.

Some Wisconsin jurisdictions contract with third-party appraisal firms to help assess properties.

Assessment Notifications

In April, assessors start to mail out assessment notifications to property owners whose total assessment has changed from the previous year.

The notice shows the amount of the assessment change, and the date, time, and location of the local Board of Review (BOR) meeting. By law, the notices must be in writing and mailed 15 days before the BOR meeting.

Manufacturing Properties

Taxpayers with manufacturing properties are required to file a real estate return to the state DOR annually. **The manufacturing return is due March 1**, and declares any year-over-year changes to the property and their costs. Assessments are made by the state DOR and based on a computer-assisted appraisal system.

Manufacturing machinery and equipment is exempt if it is used directly in the manufacturing process. This determination is subjective at times, allowing for some discretion and debate over where the manufacturing process begins and ends.

Appeals of a manufacturing property's value must be filed to the state Board of Assessors (BOA) within 60 days of the issuance of assessment notification (typically mailed in June) and must be well founded and documented because of the highly sophisticated nature of the state appraisal system. Sales of comparable properties are usually necessary if an appraisal report is not submitted.

Property Tax Appeals

Taxpayers who disagree with their value can informally negotiate with the local assessor during a seven-day “**Open Book**” period.

Open Book conversations are typically the recommended method for value adjustments because BORs, especially in smaller jurisdictions, are often staffed with lay-citizens that are not always knowledgeable of appraisal techniques, making them reluctant to vote against the assessor.

While most Wisconsin cities do not have a BOA, those with one allow property owners to file an appeal to them after the Open Book period. If the jurisdiction does not have a BOA, the property owner can file an appeal to the **local BOR**.

Local BORs are required to meet on the second Monday in May. However, in actual practice, many assessors regularly do not have assessments completed by then, causing a postponement of hearings until a later date.

Taxpayers unsatisfied with the actions of the BOR may appeal in two ways. The first option is to appeal to the Circuit Court. The Circuit Court will strictly review the BOR record, so it is important to provide all evidence during the BOR hearing. There is no trial for this type of appeal, but often has a filing fee of \$129.50.

Property owners can also appeal a BOR decision to the **Wisconsin DOR**. This action can be taken for the current year only and only if a BOR appeal was previously filed. The DOR must receive the complaint in writing within 20 days of the BOR’s written decision. Both the taxpayer and assessor will have the opportunity to present evidence and there is a nonrefundable filing fee of \$100.

Cities of Milwaukee and Madison

The appeal deadlines in the cities of Milwaukee and Madison differ from the rest of the state. Milwaukee’s appeal deadline is the third Monday in May. Madison’s deadline for appeal is April 30.

The Milwaukee and Madison assessing officers are aggressive in seeking fair market value and are generally the most sophisticated in applying appraisal techniques. During appeals, they are often very assertive in their defense of established assessments.

Personal Property

Taxpayers are responsible to file returns declaring taxable personal property as of **January 1** for each year. Returns are filed with the local assessor and due by **March 1**. Extensions are generally available if necessary.

The statutory standard for valuation of personal property is true cash value. The courts have ruled that true cash value and market value are synonymous. The filings are based on original costs, with true cash value determined by applying DOR valuation factors.

Furniture, fixtures, machinery, and equipment should be reported according to use, but retail inventories are exempt.

The DOR will audit, generally on a rotating five-year basis. However, full blown audits are rare.

If the taxpayer fails to report personal property in a timely manner, the assessor must place a doomsday (estimated) assessment on the property. This can potentially jeopardize appeal rights.

Personal property appeal deadlines vary throughout the state and are filed to the local BOR.

Tax Bills

Property taxes are calculated as follows: assessed value multiplied by the tax rate (per \$1,000 of the value), equals taxes.

$$[\text{Value} \times \text{Tax Rate}] = \text{Taxes}$$

Tax bills are usually issued on December 1 and are payable January 31 of the following year.