

# STATEMENT OF SCOPE

## Department of Revenue

Rule Nos.: Chapter Tax [12.50](#), [19.03\(1\)\(k\)](#), Wis. Admin. Code

Relating to: Removing unnecessary rules

Rule Type: Permanent

### 1. Detailed description of the objective of the proposed rule:

DOR proposes removing portions of Tax 12 and Tax 19 that are unnecessary given state laws.

### 2. Description of existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

- Tax [12.50](#) provides renewable energy system exemption information. The renewable energy system exemption state law, sec. [70.111\(18\)](#), Wis. Stats., along with the Wisconsin Property Assessment Manual (WPAM) authorized by state law, sec. [73.03\(2a\)](#), Wis. Stats., provide the Tax [12.50](#) information.
- Tax [19.03\(1\)\(k\)](#) provides the consumer price index. Sec. [79.05\(1\)\(am\)](#), Wis. Stats., provides the Tax [19.03\(1\)\(k\)](#) information.
- Tax [19.04\(3\)\(c\)](#) mentions a process by regular mail.
- There are no policy alternatives to removing these unnecessary portion of the rules

### 3. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

Secs. [227.11\(2\)\(a\)](#) and [227.11\(2\)\(b\)](#), Wis. Stats., provide DOR with the authority for the rules.

Secs. [70.111\(18\)](#), [73.03\(2a\)](#), [79.05\(1\)\(am\)](#), Wis. Stats., provide the information rendering these rules unnecessary.

- Sec. [70.111\(18\)](#), Wis. Stats.: Biogas or synthetic gas energy systems, solar energy systems, and wind energy systems. In this subsection, "biogas or synthetic gas energy system" means equipment which directly converts biomass, as defined under section 45K (c) (3) of the Internal Revenue Code, as interpreted by the Internal Revenue Service, into biogas or synthetic gas, equipment which generates electricity, heat, or compressed natural gas exclusively from biogas or synthetic gas, equipment which is used exclusively for the direct transfer or storage of biomass, biogas, or synthetic gas, and any structure used exclusively to shelter or operate such equipment, or the portion of any structure used in part to shelter or operate such equipment that is allocable to such use, if all such equipment, and any such structure, is located at the same site, and includes manure, substrate, and other feedstock collection and delivery systems, pumping and processing equipment, gasifiers and digester tanks, biogas and synthetic gas cleaning and compression equipment, fiber separation and drying equipment, and heat recovery equipment, but does not include equipment or components that are present as part of a conventional energy system. In this subsection, "synthetic gas" is a gas that qualifies as a renewable resource under s. 196.378 (1) (h) 1. h. In this subsection, "solar energy system" means equipment which directly converts and then transfers or stores solar energy into usable forms of thermal or electrical energy, but does not include equipment or components that would be present as part of a conventional energy system or a system that operates without mechanical means. In this subsection, "wind energy system" means equipment which converts and then transfers or stores energy from the wind into usable forms of energy, but does not include equipment or components that would be present as part of a conventional energy system. Until the tax incremental district terminates, the exemption under this subsection for biogas or synthetic gas energy systems does not apply to property in existence on January 1, 2014, and located in a tax incremental financing district in effect on January 1, 2014.
- Sec. [73.03\(2a\)](#), Wis. Stats.: To prepare and publish, in electronic form and on the Internet, assessment manuals. The manual shall discuss and illustrate accepted assessment methods, techniques and practices with a view to more nearly uniform and more consistent assessments of property at the local level. The manual shall be amended by the department from time to time to reflect advances in the science of assessment, court decisions concerning assessment practices, costs, and statistical and other information considered valuable to local assessors by the department. The manual shall incorporate standards for the assessment of all types of renewable energy resource systems used in this state as soon as such systems are used in sufficient numbers and sufficient data exists to allow the formulation of valid guidelines. The manual shall incorporate standards, which the department of revenue and the state historical society of Wisconsin shall develop, for the assessment of non-historic property in historic districts and for the assessment of historic property, including but not limited to property that is being preserved or restored; property that is subject to a protective easement, covenant or other restriction for historic preservation purposes; property that is listed in the national register of historic places in Wisconsin or in this state's register of historic places and property that is designated as a historic landmark and is subject to restrictions imposed by a

municipality or by a landmarks commission. The manual shall incorporate general guidelines about ways to determine whether property is taxable in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in specific situations. The manual shall state that assessors are required to comply with s. 70.32 (1g) and shall suggest procedures for doing so. The manual or a supplement to it shall specify per acre value guidelines for each municipality for various categories of agricultural land based on the income that could be generated from its estimated rental for agricultural use, as defined by rule, and capitalization rates established by rule. The manual shall include guidelines for classifying land as agricultural land, as defined in s. 70.32 (2) (c) 1g., and guidelines for distinguishing between land and improvements to land. The cost of the development, preparation, and Internet publication of the manual and of revisions and amendments to it shall be paid from the appropriation under s. 20.566 (2) (bm).

- Sec. [79.05\(1\)\(am\)](#), Wis. Stats.: “Inflation factor” means a percentage equal to the average annual percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor, for the 12 months ending on August 31 of the year before the statement under s. 79.015, except that the percentage under this paragraph shall not be less than zero.

**4. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:**

DOR estimates 50 hours to develop the rule.

**5. List with description of all entities that may be affected by the proposed rule:**

No impact. The proposed changes remove rule language that is unnecessary, there is no impact to current processes.

**6. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:**

DOR is not aware of any existing or proposed federal regulation that is intended to address the activities to be regulated by the rule.

**7. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):**

No impact. The proposed changes remove unnecessary rule language, there is no impact to current processes.

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