

## Chapter Tax 19

### EXPENDITURE RESTRAINT PAYMENTS

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**Tax 19.01 Purpose.** The purpose of this chapter is to establish standards and procedures for determining whether a town, village, or city is eligible for an expenditure restraint payment under s. 79.05, Stats., and the computation of the payment.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; am. Register, December, 1998, No. 516, eff. 1-1-99.

**Tax 19.02 Scope.** This chapter applies to all towns, villages and cities.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91.

**Tax 19.03 General. (1) DEFINITIONS.** In this section:

(b) “Excess property tax levy rate” means the amount by which the property tax levy rate for a municipality exceeds 5 mills.

(c) “Municipal operating budget increase” means an amount, expressed as a percentage and rounded to 2 places beyond the decimal, which results from dividing:

1. The difference between the amount of the municipal operating budget for the year of the statement and the amount of the municipal operating budget, including any adjustment under s. 79.05 (6), Stats., for the year before the year of the statement; by

2. The amount of the municipal operating budget, including any adjustment under s. 79.05 (6), Stats., for the year before the year of the statement.

(f) “Property tax levy rate” means an amount, expressed as a decimal and rounded to 9 places beyond the decimal, which results from dividing:

1. Municipal taxes only less the tax increment under s. 66.1105, Stats.; by

2. The municipal full value less the tax incremental value under s. 66.1105, Stats.

(i) “Tax increment” means the sum of tax increments for all taxing jurisdictions as reported on the statement of taxes on the line entitled “tax increment.”

(j) “Taxing jurisdiction” has the same meaning as in s. 74.01 (7), Stats.

(k) “Inflation factor” means an amount expressed as a percentage and rounded to one place beyond the decimal, which results from dividing:

1. The difference between the sum of the 12 monthly indexes of the U.S. consumer price index for all urban consumers, U.S. city average, for the year ending on September 30 of the year before the year of the statement and the sum of the 12 monthly indexes of the U.S. consumer price index for all urban consumers, U.S. city average, for the year ending on September 30 of the year prior to that year; by

2. The sum of the 12 monthly indexes of the U.S. consumer price index for all urban consumers, U.S. city average, for the year ending on September 30 of the year prior to the year before the year of the statement.

(L) “The year of the statement” means the calendar year in which the statement under s. 79.015, Stats., is issued and is the year prior to the calendar year in which the expenditure restraint payment is to be made.

(m) “Total property tax levy” means the amount reported on the statement of taxes as “total town, village or city taxes levied.”

(n) “Valuation factor” has the same meaning as in s. 79.05 (1) (d), Stats.

**(2) ELIGIBILITY.** Any town, village, or city shall receive an expenditure restraint payment if all of the following requirements are met:

(a) Its property tax levy rate established during the year before the year of the statement is greater than 5 mills.

(c) Its municipal operating budget increase is less than the percentage change under s. 79.05 (2) (c), Stats.

**(3) ELIGIBILITY UNDER SUB. (2) (A).** The department of revenue shall determine whether a municipality meets the eligibility requirement under sub. (2) (a). If a municipality meets this eligibility, the department of revenue shall send the expenditure restraint worksheet to the municipality which, when returned to the department of revenue, shall be used to determine if the municipality meets the requirement in sub. (2) (c).

**Note:** See s. Tax 19.04 for information about the expenditure restraint worksheet.

**(4) PAYMENT.** If the department of revenue determines that a municipality meets the requirements in sub. (2), it shall receive an expenditure restraint payment calculated by the department of revenue as follows:

(a) Subtract 5 mills from the municipality’s property tax levy rate.

(b) Multiply the amount under par. (a) by the municipality’s full value including the value increment under s. 66.1105, Stats.

(c) Divide the amount under par. (b) by the total of the amounts under par. (b) for all municipalities that qualify.

(d) Multiply the amount under par. (c) by the amount of the appropriation under s. 79.01 (1), Stats.

**(5) CORRECTIONS TO PAYMENTS.** The department of revenue will increase or decrease the subsequent year’s distribution under subch. I of ch. 79, Stats., for any overpayments and underpayments.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; r. (1) (a), (d), (e), (g), (h) and (2) (b), cr. (1) (am) and (4) (d), am. (1) (b), (c), (k), (L), (2) (intro.), (a), (c), (3) and (4) (intro.) and (a), Register, December, 1998, No. 516, eff. 1-1-99; correction in (1) made under s. 13.93 (2m) (b) 1., Stats., Register, December, 1998, No. 516; corrections in (1) (f) 1., 2. and (4) (b) made under s. 13.93 (2m) (b) 7., Stats., Register September 2006 No. 609; **CR 13-035: am. (1) (c) (intro.) Register December 2013 No. 696, eff. 1-1-14.**

#### Tax 19.04 Expenditure restraint worksheet.

**(1) GENERAL.** Each municipality that meets the requirement in s. Tax 19.03 (2) (a) shall receive from the department of revenue an expenditure restraint worksheet. The department’s expenditure restraint worksheet shall be completed and returned to the department along with the budgets described in s. Tax 19.05.

**(2) PURPOSE.** The expenditure restraint worksheet shall be used by the department of revenue to determine if the municipality meets the eligibility requirement in s. Tax 19.03 (2) (c).

**(3) DUE DATE.** (b) For purposes of the 1992 and subsequent years’ expenditure restraint payments, the department’s expenditure restraint worksheet shall be completed and returned to the department of revenue on or before May 1 of the year of the statement.

(c) To be considered timely filed, the expenditure restraint worksheet, if mailed to the department of revenue, shall be mailed

in a properly addressed envelope, postmarked before midnight of the due date in par. (b) and received by the department of revenue not more than 5 days after the due date in par. (b).

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; am. (1), (2), (3) (b) and (c), r. (3) (a) and (4), Register, December, 1998, No. 516.

**Tax 19.05 Budgets. (1) DEFINITIONS.** In this chapter:

(a) "Long-term debt" means general obligation debt payable over a period that exceeds one year.

(b) "Municipal operating budget" means the total adopted general fund budgeted expenditures, including inter-fund transfers out to other funds and less any principal and interest payments on long-term debt budgeted in the general fund.

**(2) GENERAL.** Municipalities that receive an expenditure restraint worksheet shall submit to the department of revenue the

municipal operating budgets for the year of the statement and the preceding year. These budgets are due on or before the same dates as the expenditure restraint worksheet.

**(3) CONTENT.** (a) The budgets shall include all of the following except as provided in par. (b):

1. All revenues, by major revenue source.
2. All expenditures, by major expenditure category.
3. Any financing source and use not included under subs. 1. and 2.

(b) For 1994 and subsequent years' payments, the budgets described in sub. (1) shall be summarized in compliance with s. 65.90, Stats., and in the format prescribed by the department of revenue.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; am. (1) (intro.), (b) and (2), Register, December, 1998, No. 516, eff. 1-1-99.