



Local Government CENTER  
local government law



## Understanding and Collecting Personal Property Tax

Attorney Philip Freeburg  
UW-Extension Local Government Center



lgc.uwex.edu

local gov law

---

---

---


---

---

---

---

---



## Understanding and Collecting Personal Property Tax

- Overview of Personal Property Tax
- Collecting Delinquent Personal Property Tax
- State Tools for Collecting Personal Property Tax

2 UW Extension - Local Government Center

---

---

---


---

---

---

---

---



## All Property in Wisconsin is subject to tax

- Real and Person Property
  - Real Property or Real Estate - Wis. Stat. § 70.03
    - Land
    - Permanent Improvements on real estate
      - Buildings
      - Retaining walls, fencing, fixed piers
  - Personal Property - Wis. Stat. § 70.04
    - Removable from land
    - Goods, wares, merchandise, chattels or anything not included in real property

3 UW Extension - Local Government Center

---

---

---

---

---

---

---

---

### Property Exempt from Personal Property Tax

- Same exemptions as real property in Wis. Stat. § 70.11
  - Church, Schools, Government, nonprofit Hospitals
- Personal Property exemptions in Wis. Stat. § 70.111
  - Family supplies, Household furniture and equipment, farm and garden tools, farm equipment, computers
  - Exempt if subject to other tax
- Over 95 exemptions

4

---

---

---

---

---

---

---

---

### So is all Property subject to taxation?

- Yes, but with exemptions
- “Taxable” personal property is subject to taxation

5 UW Extension - Local Government Center




---

---

---

---

---

---

---

---

### Personal Property Assessment

- Challenge: No active markets for used personal property
- Self reporting forms used
  - Statement of Personal Property
  - Information must be true under penalty of law
  - If fail to file them assessor estimates
    - “Doomage” assessment

6 UW Extension - Local Government Center




---

---

---

---

---

---

---

---



## Personal Property Categories

- Furniture, fixtures and equipment
- Machinery, tools and patterns
- Boats and other vessels; and
- All other personal property

7 UW Extension - Local Government Center

---

---

---

---

---

---

---

---

## Collection process differs from Real Property Tax

- Tax due January 31
  - No installments
- Delinquent if not paid as of February 1
- No lien, tax certificates or deeds issued by County
- Court Action to collect Delinquent Personal Property Tax - Wis. Stat. 74.55

8

---

---

---


---

---

---

---

---



## Collecting Delinquent Personal Property Tax

- Interest accrues at 1% each month assessed at first of the month
- Ordinance that provides license and permits will not issue if any amounts of money due town
  - Alcohol
  - Building
  - Dog or cat license

9 UW Extension - Local Government Center

---

---

---

---

---

---

---

---

### Court Action to Collect

- Amounts of \$10,000 or less use Small claims Court procedure
- Docketed judgments give others notice and attaches lien to real & personal property
- Judgment collection tools
  - Examples: Garnishment, Execution, Debtor's Assets report or Supplemental Exam
- Property subject to tax are *NOT* exempt from judgment execution

10

---

---

---

---

---

---

---

---

### Suggested Steps to Collection



- Clerk sends letter to all delinquent personal property tax payers
  - Regular or Certified mail with Return Receipt Requested
- Send letter(s) after February 1 of year due
  - Don't wait till next tax season or collect several tax years
- In letter advise delinquent taxpayer
  - Interest and how it accrues
  - No licenses or permits
  - Last step before referral to attorney

11 UW Extension - Local Government Center

---

---

---

---

---

---

---

---

**FORM - CLERK PERSONAL PROPERTY TAX COLLECTION LETTER**

March 20, 2017

Whattia Auto Body  
Attn: Carl Whattia  
10717 Turain Rd.  
Cheddar Falls, WI 54474

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Re: Town of Cheddar Falls Delinquent Personal Property Tax  
For the Tax Year 2016 in the amount of \$739.37 (including Interest and Penalty)

Mr. Whattia:

Enclosed with this correspondence is a copy of the personal property tax bill for 2016 for Whattia Auto Body. These taxes were due on or before January 31, 2017. The Town of Cheddar Falls has not received payment for the personal property taxes; therefore, they are delinquent and accrue interest and penalty of 1% for each delinquent month or 12 % Apr.

The amount currently due and owing is \$739.37, which is due immediately.

This is your opportunity to pay your delinquent personal property tax without incurring any additional interest, penalties and costs. Payment should be made to the Town of Cheddar Falls at 411 Cheddar Avenue, Cheddar Falls, WI 51111.

If payment in full is not made prior to March 30, 2017, the Town will refer the matter to the Town Attorney to commence court action to collect said delinquent taxes plus costs.

Accordingly, your anticipated prompt attention is required.

Sincerely,

Olive Werk  
Town of Cheddar Falls Clerk-Treasurer

12

---

---

---


---

---

---

---

---

 Local Government Center  
local government law

## Refer uncollected accounts to Attorney

- Attorney sends letter(s)
  - Same information as clerk sent
  - Advise last step before court action
  - Set payment deadline
  - “No longer privileged to settle for only taxes and interest due”
- Remind attorney of Uniformity Clause - no deals on principal and interest

13 UW Extension - Local Government Center

---

---

---

---

---

---

---

---

April 10, 2017

Whatta Auto Body  
Attn: Carl Whatta  
10717 Turuin Rd.  
Cheddar Falls, WI 54474

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Re: Town of Cheddar Falls Delinquent Personal Property Tax  
For the Tax Year 2016 in the amount of \$746.76 (Including Interest and Penalty)

Mr. Whatta:

Enclosed with this correspondence is a copy of the personal property tax bill for 2016 for Whatta Auto Body. These taxes were due on or before January 31, 2017. No payment has been received by the Town of Cheddar Falls for the personal property taxes; therefore, they are delinquent and accrue interest and penalty of 1% for each delinquent month or 12 % Apr.

The amount currently due and owing is \$746.76, which is due immediately.

This is your opportunity to pay your delinquent personal property tax without incurring any additional interest, penalties and costs. Payment should be made to the Town of Cheddar Falls at 411 Cheddar Avenue, Cheddar Falls, WI 54474.

If payment in full is not made prior to April 30, 2017, the Town will commence court action to collect said delinquent taxes together with interest and costs, including filing fees and statutory attorney's fees. Once court action is commenced you will know longer be privileged to settle for taxes and interest due

Accordingly, your anticipated prompt attention is required.

Sincerely,

Brie Harrison  
Attorney for the Town of Cheddar Falls

14

---

---

---


---

---

---

---

---

 Local Government Center  
local government law

## Commence Court Action(s)

- Be sure Board authorizes court action(s)
  - *Town of Nasawauppee v. City of Sturgeon Bay, 77 Wis. 2d 110 (1977).*
- Note: 6 year statute of limitation
- Request Attorney keeps you up to date
  - Copies of activities

15 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

Local  
Government  
CENTER  
local government law

## Issues for Trial

- Assessment roll “shall be prima facie evidence of such assessment and tax, and justice and regularity thereof...”
  - Wis. Stat. § 70.20
- Amount and method of tax calculation not at issue

16 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

Local  
Government  
CENTER  
local government law

## The Case

1. Assessment was made
2. It was entered on roll
3. Defendant owned property at time it was assessed
  - Person beneficially entitled to the property - Wis. Stat. § 70.19
4. Tax was not paid

17 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

Local  
Government  
CENTER  
local government law

## Docket Judgment

- Fee \$5
- Attaches lien
- Sets priority of lien
- Notice
  - Credit reports

18 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

 Local Government Center  
local government law

## State Tools for Collection

- TRIP - Tax Refund Intercept Program
- SDS - State Debt Collection

19 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

 Local Government Center  
local government law

## Tax Refund Intercept Program (TRIP)

- Wis. Department of Revenue provides this program to Local government
- Debt balance must be more than \$20
- Refund amounts greater than \$10 will be set off against debts
- \$5 fee to debtor for each setoff

20 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

 Local Government Center  
local government law

## TRIP Requirements

- One of these is required
  - Social Security Number
  - Federal Employer ID Number
  - Drivers License Number
- Statement of Personal Property requires FEIN number
- \$73 million collected in 2015

21 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

Local Government Center  
local government law

### State Debt Collection Services (SDC)

- Department of Revenue provides debt collections service to local government
- DOR utilizes payment plans, wage garnishment, bank levies, TRIP, unclaimed property set-offs
- Debtor assessed a fee
- No charge to local government

22 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

Local Government Center  
local government law

### SDC Requirements

- Delinquent for 90 days
- Debt owed directly to local government
- Debtor receive notice
- Local Government must cease all other collection activity

23 UW Extension - Local Government Center

---

---

---


---

---

---

---

---

Local Government Center  
local government law

### State Tools v Local Collection

- Not required to get Judgment before using State Tools
- Why not both:
  - Get Judgment and then refer to state

24 UW Extension - Local Government Center

---

---

---

---


---

---

---

---





## State Collections Contacts

- Both programs have shared email and phone number
- Phone: 608-264-0344
- Email:  
DORAgencyCollections@wisconsin.gov

25 UW Extension - Local Government Center

---

---

---


---

---

---

---

---




Local Government CENTER  
local government law

lgc.uwex.edu

---

Public Records Law Essentials

Attorney Philip Freeburg  
UW-Extension Local Government Center  
610 Langdon St.  
Madison, WI 53703  
(608) 262-5103  
philip.freeburg@uwex.edu



Local government photo by Jeff Miller  
© 2015 University of Wisconsin System Board of Regents and University of Wisconsin-Extension, Cooperative Extension. All rights reserved. An EEO/AAE employer. The University of Wisconsin-Extension, Cooperative Extension provides equal opportunities in employment and programming, including Title IX and ADA compliance. If you need this information in an alternative format, contact Social Opportunity and Diversity Programs, University of Wisconsin-Extension, 420 N. Lake St., Ste. 501, Madison, WI 53706, email: op@uwex.edu, phone: (608) 262-6277, fax: (608) 262-9424, TTY: 711 Wisconsin Relay.

local gov. law

---

---

---

---

---

---

---

---