

Reply to Common Council File No. 160909
From DOA-Budget and Management Division

November 10, 2016

Ref: SF 16007

Common Council File 160909 contains a resolution that reserves and authorizes the expenditure of up to \$709,186.23 from the 2016 Common Council Contingent Fund to pay refunds and settlements associated with the remission of taxes.

Assessed values that are changed as a result of Board of Review decisions, 70.43 statutory corrections, or changes in manufacturing assessment by Wisconsin Dept. of Revenue may result in a refund of property taxes. As a result of decisions and changes in 2016, the city is obligated to make payments totaling \$745,409.37. The total amount includes refunds and expenses as follows;

- \$471,612.45 - Tax payer objections processed by Board of Review
- 186,458.31 - 70.43 statutory corrections
- 50,063.98 - WI Dept. of Revenue's reduction to manufacturing assessments
- 37,274.63 - Estimated applicable interest charges for refunds

The resolution authorizes payments up to \$709,186.23 to be paid using the 2016 Common Council Contingent Fund. Payments for such claims are normally made from the Remission of Taxes. However, the current balance of \$36,223.14 in the 2016 special purpose account is not sufficient to cover the obligated amounts. If approved, the 2016 balance and the requested amount from the Common Council Contingent Fund will cover refunds totaling \$745,409.37.

The refund and settlement amounts are eligible for reimbursement from other taxing jurisdictions through chargebacks, estimated to be approximately 65% of the refunded amounts.

If this resolution is approved, the balance of the 2016 Common Council Contingent Fund would be \$2,228,917.47.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 16909



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