
Common Language Definitions of Terms Used in Real Estate Property Tax Matters in Wisconsin

Fact Sheet No. 3

Local Government Education Program

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Assessed Rate

The decimal figure (quotient) that results when the total dollars of all property taxes that must be collected in the taxation district is divided by the total value of all taxable property in the district as established by the local assessor (See definition of tax rate below for elaboration. Also see description of taxation district and taxing jurisdiction).

Assessed Value

The value of a parcel of property set by the municipal or county assessor for property tax purposes. The tax rate is applied to this value to calculate the amount of taxes owed on that parcel. (NOTE: s. 74.01 gives a different definition. The definition here is for common usage.)

Assessment

The process of setting the market value of a parcel of property for purposes of property taxation.

Assessment ratio

The decimal figure (quotient) found by dividing the sum of all assessments established by the local assessor in a taxation district by the value that the state Department of Revenue determines to be the full market value of the property in that taxation district. s. 70.57

Assessment roll

The official list, in a book or computer form, that includes the owner, description, and the value established by the local assessor, of all parcels of taxable property in a taxation district.

Board of Review

A body established by statute in each taxation district that is to review the assessment roll for accuracy and make any necessary corrections and to hear objections of property owners regarding assessments of parcels and change a challenged assessment if it is improper. s. 70.46

Budget

The estimate of a local government of its expected expenditures and revenues for the coming year. The required content and procedures for local government budgets are found in s. 65.90.

Budget Hearing

The formal opportunity for the public to comment and ask questions about the proposed budget before it may be adopted. It is required by s. 65.90.

Budget Line Item

Identification and cost of a specific proposed expenditure in the budget, such as a truck or the salary for a particular position.

Capital Budget

A specialized budget dealing only with capital projects: those physical things such as buildings and sewers that have long lives and which may be paid for over extended periods such as 10 or 20 years.

County-wide Assessment

The option available to have property assessment done by the county government for all the taxation districts in the whole county, with the state government paying a large part of the bill. A special action of the county board is required to put it into effect. s. 70.99

Class of Property

Groupings of types of property by which assessors must organize the property they assess. The classes are found in s. 70.32, Wisconsin Statutes. The assessors in towns use 2 classes in addition to those which are used in cities and villages.

Debt Service

Payments of interest and principal on indebtedness. Indebtedness may be bonds of various sorts, notes, or other instruments. The annual amount of debt service must be shown in the budget.

Deferred Taxes

A program for low- and moderate-income elderly persons whereby payment of property taxes on their residences can be deferred as the elderly continue to live in their homes. Taxing jurisdictions receive the money from the state to make up for the loss of revenue. A lien is created on the property. Repayment to the state is made upon transfer of the property. s. 77.63

Delinquent Taxes

General property taxes, special assessments, and special charges not paid by deadline dates are delinquent. All three must be paid in full by January 31, or in installments made on the appropriate schedule. Any taxes unpaid on Aug. 1 are delinquent. s. 74.11

Equalized Rate

The decimal figure (quotient) found by dividing the total property taxes due from an area by the full market value established for that area by the DOR. (NOTE: See "tax rate" for elaboration.)

Installments

The payment of property taxes, special charges, and special assessments in portions according to the statutory schedule or a schedule adopted by the taxation district. s. 74.11

Levy

The amount of property tax dollars to be raised by a taxing jurisdiction for its use. It is usually calculated as the remainder after subtracting all other expected revenues from the total expenditures proposed in the jurisdiction's adopted budget.

Lottery Credit

A special property tax credit to be applied to local property tax bills. The source of the money is the revenues the state receives from gambling in the state.

Program

A set of related activities for which expenditures are grouped and estimated in the budget and around which the jurisdiction's management is organized.

Property Tax Credit

Money paid to taxation districts by the state that must be used to reduce the property tax bills of property owners.

Shared Revenue

The state collects some taxes and shares the proceeds in order to make up for restrictions on local taxing authority or simply to use sources other than the local property tax to pay for local services.

Tax Increment Financing

A device to enable cities and villages to invest in improvements in blighted areas which allows them to capture the taxes paid on the increase in value in the specified area. The taxes on the increase in value is used to pay off debt incurred to make municipal improvements in the area. s. 66.46

Tax Rate

The decimal figure (quotient) which results from dividing the property taxes to be paid in a district or jurisdiction by the total value of taxable property in the unit. The rate is usually expressed in mills, which are tenths of a cent (and thousandths of a dollar.) A tax rate of 25 mills is the same as a tax of \$25 per \$1,000 of value, or 2.5% on the value, or 25 cents per dollar.

Taxation District

A city, village, or town or, if a city or village lies in more than one county, that portion of the city or village which lies within a county. Taxation districts are responsible for assessing property, billing for property taxes for themselves and for taxing jurisdictions of which they have any territory, collecting property tax payments, and paying the proper amounts to the appropriate taxing jurisdictions. s. 74.01

Taxing Jurisdiction

Any entity authorized by law to levy taxes on general property which is located within its boundaries. Counties, school districts, VTAE districts, metropolitan sewerage districts, town sanitary districts, and the state for the forestry tax are all taxing jurisdictions, although many town sanitary and most metropolitan sewerage districts levy no property tax. s. 74.01