



REPORT TO REDEVELOPMENT AUTHORITY

ITEM NAME: Finance/Treasurer Office Update:
Proposed Closure of Tax Increment District #3
PREPARED BY: John Jacobs, Finance Director/Treasurer
DATE PREPARED: 12/09/2025

After the discussion with the 2026 budget during Fall 2025, it has been considered to possibly close Tax Increment District (TID) #3 before 4/15/2026 due to the following reasons:

- 1) The 12/31/2025 projected fund balance of TID #3 = \$168,442.
- 2) There is no outstanding debt obligation in TID #3.
- 3) The expenditure period has lapsed, whereby TID #3 can no longer expend any capital improvement costs in TID #3.
- 4) TID #3 cannot become a “donor” TID with any of its fund balance to other under-performing TID’s in the Village.
- 5) The mandatory termination date for TID #3 is 11/03/2034.
- 6) There is \$2,964,500 of new equalized valuation that has been generated from TID #3, that could be shared with the Mosinee School District, Marathon County, North Central Technical College and Village of Kronenwetter in future years.
- 7) After the TID #3 closure, the Village’s share of additional annual property taxes created would be about \$8,273, which would help out the Village’s annual operational and capital improvements budgets.

The next steps necessary for closure of TID #3 would be the following:

- 1) The Village Board would adopt a TID Termination Resolution prior to 4/15/2026 for the closure of TID #3.
- 2) Next, Village staff would submit Form PE-223 (Terminated Tax Increment District Final Accounting Submission Date Agreement) to the Wisconsin Department of Revenue, along with the resolution, within 60 days of the adoption of the resolution.
- 3) Third, the Village would have a TID financial audit completed for TID #3, within 12 months of the resolution date.
- 4) Lastly, the Village would file Form PE-110 to the Wisconsin Department of Revenue for the closure of TID #3.
- 5) Remember to notify our Village Assessor to REMOVE the TID number from all property on the Village’s correct year’s tax/assessment roll.

The 2026 budget for TID #3 does include an estimated cost of \$5,000 for a TID closure financial audit.

The estimated fund balance at the end of 12/31/2026 would be about \$201,822. The Village Board will discuss the possibility of using any portion of this fund balance under Wisconsin’s Affordable Housing TID Extension, to provide housing loans to Kronenwetter residents, prior to the adoption of the TID termination resolution. If no program is adopted, then this \$201,822 fund balance would be distributed proportionately with the previously mentioned taxing jurisdictions.

Tax Incremental District (TID) Termination Timeframes

Municipal Termination Resolution Adoption Date*	Termination Year	TID Removed from Tax/Assessment Roll	Last Year Tax Increment Received	Last Administrative Fee Due	Last TID Equalized Value Established	Last Annual Report Due to DOR
April 16, 2024 – April 15, 2025	2025	2025	2025 (for 2024 taxes)	April 15, 2024	August 15, 2024	July 1, 2025 (for 2024)
April 16, 2025 – April 15, 2026	2026	2026	2026 (for 2025 taxes)	April 15, 2025	August 15, 2025	July 1, 2026 (for 2025)
April 16, 2026 – April 15, 2027	2027	2027	2027 (for 2026 taxes)	April 15, 2026	August 15, 2026	July 1, 2027 (for 2026)
April 16, 2027 – April 18, 2028	2028	2028	2028 (for 2027 taxes)	April 15, 2027	August 15, 2027	July 3, 2028 (for 2027)
April 19, 2028 – April 17, 2029	2029	2029	2029 (for 2028 taxes)	April 18, 2028	August 15, 2028	July 2, 2029 (for 2028)
April 18, 2029 – April 15, 2030	2030	2030	2030 (for 2029 taxes)	April 17, 2029	August 15, 2029	July 1, 2030 (for 2029)
April 16, 2030 – April 15, 2031	2031	2031	2031 (for 2030 taxes)	April 15, 2030	August 15, 2030	July 1, 2031 (for 2030)

* Municipality must notify the Wisconsin Department of Revenue (DOR) by April 15 of the termination year. In some years the observance of Emancipation day affects the termination deadline.



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Tax Incremental Finance (TIF) - Terminations

Secs. [60.23\(32\)](#), [60.85](#), [66.1105](#), and [66.1106](#), Wis. Stats.

For more information, review the [TIF Termination](#) web page.

1. [When does a municipality terminate a Tax Incremental District \(TID\)?](#)
2. [What should the municipality provide to the Wisconsin Department of Revenue \(DOR\) when a TID terminates?](#)
3. [When filling out the Final TID Accounting Submission Date Agreement \(Form PE-223\), how does the municipal clerk determine the Final Accounting Submission date?](#)
4. [What is the last year a municipality receives an increment for a terminated TID?](#)
5. [If a municipality adopts a TID termination resolution, does the municipality need to pay DOR an administrative fee?](#)
6. [Can a municipality terminate an existing TID and then create another TID in the same year?](#)

7. When a municipality terminates a TID, what happens if there are still debts?
8. How does the municipality divide excess funds among the overlying taxing jurisdictions?
9. How long does the municipality have to return the excess funds?
10. What if a municipality terminated a TID and has some outstanding expenses to pay before disbursing any extra funds to the other overlying tax jurisdictions?
11. If a municipality adopts a TID termination resolution and notified DOR, can it rescind the termination resolution so it can adopt an affordable housing resolution?
12. What happens to the TID's personal property aid and exempt computer aid when the TID terminates?
13. When does a municipality receive the one-time levy limit adjustment? How is this calculated?

1. When does a municipality terminate a Tax Incremental District (TID)?

The municipality must adopt a termination resolution when one of the following occurs:

- All project costs have been recovered
- TID reaches its maximum life or extended life date
- Municipality decides to terminate the TID early for any other reason

2. What should the municipality provide to the Wisconsin Department of Revenue (DOR) when a TID terminates? Within 60 days of adopting the termination resolution or by April 15, whichever is earlier:

- Email tif@wisconsin.gov:
 - Adopted TID Termination Resolution

- Completed Final TID Accounting Submission Date Agreement ([Form PE-223](#))
- Notify your assessor and county real property lister – provide a list of the property, which they use to remove the TID number from the tax/assessment roll.

Within 12 months of adopting the termination resolution:

- Complete the Final Audit; save a copy in the Municipal TID records
- Electronically file the Final Accounting Report (Form PE-110) using [MyDORGov](#)
- Verify the TID number is removed from all property on the correct year's tax/assessment roll

3. When filling out the Final TID Accounting Submission Date Agreement (Form PE-223), how does the municipal clerk determine the Final Accounting Submission date?

The Final Accounting Submission Date is the date when the municipality agrees to file the TID Final Accounting Report (PE-110). Before submitting this report, the municipality's Certified Public Accountant must complete the final audit. Contact the municipal accountant to determine when the final audit will be completed. Then complete the Final Accounting Submission Date. This due date must be within a year of the TID termination resolution.

4. What is the last year a municipality receives an increment for a terminated TID?

The date the municipality adopts the termination resolution determines the last year it receives an increment for that TID. For more details see the [TID Termination Timeframes](#) table.

5. If a municipality adopts a TID termination resolution, does the municipality need to pay DOR an administrative fee?

The answer depends on the date the local legislative body adopts the termination resolution:

- **On or before April 15** — municipality does not pay the administrative fee that year

- **After April 15** — municipality must pay the administrative fee that year

6. Can a municipality terminate an existing TID and then create another TID in the same year?

Yes.

If the municipality is **over** the 12% value limit:

- Local legislative body must adopt the termination resolution **before** adopting the creation resolution for another TID
- Municipality must remain below the 12% value limit after terminating a TID, to create another TID

If the municipality is **under** the 12% value limit:

- Local legislative body can adopt a creation resolution for a new TID if the municipality remains below the 12% value limit (including the new TID)
- Termination resolution for an existing TID can occur at any time in the same year

7. When a municipality terminates a TID, what happens if there are still debts?

The municipality is responsible for any remaining debt.

8. How does the municipality divide excess funds among the overlying taxing jurisdictions?

According to state law (sec. [66.1105\(6\)\(c\)](#), Wis. Stats.), the municipality must return excess funds based on each taxing jurisdiction's portion of the total tax rate. DOR recommends basing the distribution on the most recent tax levy proportions without the tax increment. Column A of the Tax Increment Worksheet (PC-202) may be used for this calculation. Contact lgs@wisconsin.gov for further assistance.

9. How long does the municipality have to return the excess funds?

State law does not provide a specific deadline for distributing excess funds to other taxing jurisdictions. However, the TID's final audit must be completed within one year of the termination resolution. DOR recommends distributing the excess funds when the final audit is completed.

10. What if a municipality terminated a TID and has some outstanding expenses to pay before disbursing any extra funds to the other overlying tax jurisdictions?

It is the municipality's responsibility to determine proper administration in this situation. For example, a municipality may set up a temporary escrow account to cover the final expenses. This allows the municipality to complete its final audit.

11. If a municipality adopts a TID termination resolution and notified DOR, can it rescind the termination resolution so it can adopt an affordable housing resolution?

The answer depends on whether the termination deadline has passed and whether the TID has reached its maximum life. Municipalities must certify a TID as active or inactive by April 15 under state law (sec. [66.1105\(6\)\(ae\)](#) Wis. Stats.). Both the termination and rescission must be in the same year based on this deadline. See the [TID Termination Timeframes](#) table.

Rescinding a termination resolution is possible when all items below apply:

- TID has not reached its maximum life (or extended life) date
- Municipality paid the administrative fee for the year to keep the TID active. If the fee is paid, DOR considers the TID active.
- April 15 deadline has not passed; the TID number is still on the current year assessment/tax roll

Rescinding a termination resolution is not possible if any of the items below apply:

- TID's maximum life (or extended life) date has passed

- Administrative fee deadline has passed and the fee was not paid. Since the fee was not paid, DOR considers this TID terminated.
- April 15 deadline has passed; the TID number is removed from the current year assessment/tax roll

12. What happens to the TID's personal property aid and exempt computer aid when the TID terminates?

Effective with the 2022 payments, based on [2021 Act 61](#), when a TID receiving these aid payments terminates, DOR transfers the payments to the overlying jurisdictions (ex: municipality, county, school district, technical college).

13. When does a municipality receive the one-time levy limit adjustment? How is this calculated?

In the year after the TID's termination year (see [TID Termination Timeframes](#)), a municipality may use a one-time levy limit increase. The levy limit adjustment appears on the Levy Limit Worksheet the same year as the TID's termination year. For example, for a TID with a 2026 termination year, the 2026 Levy Limit Worksheet for taxes payable in 2027 reflects the increase.

For TIDs created before 2025, the increase percentage equals the TID's final increment value divided by the municipal TID equalized value without the TID increment, multiplied by 50%. The final increment and municipal equalized value used in the calculation are from the last year the TID had an equalized value (the year before the termination year).

Note: If the municipality has more than one TID with the same termination year, the TID increment values are combined. A TID with a negative increment decreases the total increment used in the calculation.

For TIDs created in 2025 or after, the increase percentage equals 10% of the TID's new construction value divided by the municipal TID equalized value without the TID increment. An additional 15% of the TID's new construction value may be added if the TID terminates within 75% of the Joint Review Board's (JRB's) expected life.

Contact lgs@wisconsin.gov for more information.

Contact Us

MS 6-97

Wisconsin Department of Revenue

Office of Technical and Assessment Services

PO Box 8971

Madison, WI 53708-8971

Phone: (608) 266-7750

Email: tif@wisconsin.gov

Related Links

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- [Annexations](#)
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- [Base Value Redetermination](#)
- [Creation](#)
- [Developer's Agreement](#)
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Tax Incremental District (TID) Termination Resolution

_____ of _____ TID _____ Resolution _____
(town, village, city) (municipality) (number) (number)

WHEREAS, the _____ of _____ created TID _____ on _____, _____, and adopted
(month) (day) (year)
a project plan in the same year, and

WHEREAS, all TID _____ projects were completed in the prescribed allowed time; and:

☐ WHEREAS, sufficient increment was collected as of the _____ tax roll, payable _____, to cover TID _____
(year) (year)
project costs.

☐ WHEREAS, insufficient increment was collected to cover project costs.

THEREFORE BE IT RESOLVED, that the _____ of _____ terminates TID _____ ; and

BE IT FURTHER RESOLVED, that the _____ Clerk shall notify the Wisconsin Department of Revenue (DOR),
within sixty (60) days of this resolution or prior to the deadline of April 15, _____, whichever comes first, that the TID
(year)
has been terminated; and

BE IT FURTHER RESOLVED, that the _____ Clerk shall sign the required DOR Final Accounting Submission
Date form (PE-223) agreeing on a date by which the _____ shall submit final accounting information to DOR;
and:

☐ BE IT FURTHER RESOLVED, that the _____ Treasurer shall distribute any excess increment collected after
providing for ongoing expenses of the TID, to the affected taxing districts with proportionate shares as
determined in the final audit by the _____'s auditor, _____.
(auditor name)

☐ BE IT FURTHER RESOLVED, that the _____ of _____ shall accept all remaining debts for
TID _____ as determined in the final audit by the _____ auditor, _____.
(auditor name)

Adopted this _____ day of _____, _____
(day) (month) (year)

Resolution introduced and adoption moved by alderperson _____
(name)

Motion for adoption seconded by alderperson _____
(name)

On roll call motion passed by a vote of _____ ayes to _____ nays
(number) (number)

ATTEST:

(Mayor/Head of Government Signature)

(Clerk Signature)

Under state law, (sec. [66.1105\(8\)\(c\)](#), Wis. Stats.), the municipality terminating a TID and the Wisconsin Department of Revenue (DOR) must agree on a final accounting submission date. The "Final accounting submission date" you enter on this form is the date the TID Final Accounting Report (Form PE-110) will be due.

Instructions

1. Within 60 days of adopting a termination resolution or by April 15, whichever comes first, email tif@wisconsin.gov:
 - Completed Form PE-223 (Section 1)
 - Municipality's adopted termination resolution
2. When we receive your information, a DOR representative will approve, sign and email this form back to you
3. After you receive the signed Form PE-223 from us, complete the steps in Section 2 by the final accounting submission date
4. If you cannot e-file the TID Final Accounting Report (Form PE-110) by the final accounting submission date, email tif@wisconsin.gov to request a revised submission date. This date must be within 12 months of the termination resolution (sec. [66.1105\(6m\)\(b\)\(3\)](#), Wis. Stats.).

Questions? Contact us at tif@wisconsin.gov

Section 1: Termination Information**Municipal and TID Information**

Taxation district (check one)	<input type="checkbox"/> Town <input type="checkbox"/> Village <input type="checkbox"/> City	County	Co-muni code	TID number
Enter municipality →			-	

Important Dates

Termination resolution date - -	Date notified DOR of termination - -
Date notified real property lister (to remove TID number from the tax/assessment roll) - -	Final accounting submission date (6-12 months from termination resolution date) - -

Clerk Information

Name	Phone () -
Signature	Email

Section 2: Final Accounting Information

Final accounting submission date: - -

Complete the following:

1. Complete the TID Final Audit. Save a copy in the municipal TID records.
2. E-file the [TID Final Accounting Report \(PE-110\)](#)

Important – if your municipality does not e-file Form PE-110 with DOR by the final accounting submission date (or revised submission date), DOR will not certify or redetermine any future TIDs (sec. [66.1105\(8\)\(d\)](#), Wis. Stats.).

DOR Approval (for department use only)

<input type="checkbox"/> Final accounting submission date approved	DOR name/signature
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