

II

R. O. No. 140 - 21 - 22. By CITY CLERK. April 18, 2022.

Submitting a settlement agreement by and between Sheboygan Paper Box Co. and the Wisconsin Department of Revenue.

FP
2023 Council

CITY CLERK



State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • MANUFACTURING AND UTILITY BUREAU • GREEN BAY DISTRICT – AA 81

200 N. Jefferson Street, Suite 126
Green Bay, WI 54301-5100
Phone: 920-448-5191
Fax: 920-448-5210
mfgtel81@wisconsin.gov
www.revenue.wi.gov

April 1, 2022

Ms. Meredith DeBruin
Sheboygan City Clerk
828 Center Avenue
Sheboygan, WI 53081-4442

Dear Ms. DeBruin,

Subject: 2020 Full Value Assessment

Regarding the real estate parcel below, the property owner and the Department of Revenue (DOR) executed a settlement agreement under the jurisdiction of the Wisconsin Tax Appeals Commission (TAC) that changes a 2020 manufacturing full value assessment. The change was made pursuant to Sec. 70.511, Wis. Stats., Delayed action of reviewing authority. This order may allow the owner of the property to request a refund of taxes that were already paid; and may allow the municipality to recover some of the refund through the procedure described in Sec. 74.41, Wis. Stats., Charging back refunded or rescinded taxes.

The settlement agreement includes the following key points:

- 2020 full value assessment is reduced to: \$2,300,000
- Appellant waives the right to any interest that may be due under Sec. 70.511(2)(b), Wis. Stats.
- Appellant waives fees, costs, and attorney's fees

This agreement is in regards to the following property:

Municipality:	City of Sheboygan
Owner:	Sheboygan Paper Box Co
Site Address:	716 Clara Ave
Local Parcel Numbers:	59281318401
State Identification Numbers:	81-59-281-R000001329
Tax Appeals Commission Docket Numbers:	21-MR-194

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	Original 2020 Full Value Assessment	Revised 2020 Full Value Assessment	Amount of 2020 Full Value Change
Land	157,900	157,900	0
Improvements	2,447,000	2,142,100	-304,900
Total	2,604,900	2,300,000	-304,900

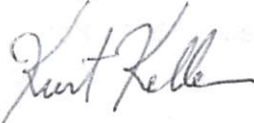
Aggregate Ratio: 0.810783011

	Original 2020 Equated Assessment	Revised 2020 Equated Assessment	Amount of 2020 Equated Change
Land	128,000	128,000	0
Improvements	1,984,000	1,736,800	-247,200
Total	2,112,000	1,864,800	-247,200

Also, enclosed is a publication Property Tax Refund Requests and the Chargeback Process (PA-600). If you intend to complete a chargeback, please remit all paperwork (PC-201, available on DOR's website) as soon as possible after issuing the refund. If you have any questions relating to the refund or chargeback, please call the Local Government Services Bureau at 608-266-2569.

If you have any other questions, please contact me at 920-448-5197 or kurt.keller@wisconsin.gov.

Sincerely,



Kurt Keller
Supervisor
Green Bay Manufacturing and Utility Bureau District Office

enclosures: PA-600

cc: Ms. Laura Henning-Lorenz, County Treasurer, 508 New York Avenue, Room 109, Sheboygan, WI 53081-4126

**SETTLEMENT AGREEMENT BY AND BETWEEN
SHEBOYGAN PAPER BOX CO. AND THE WISCONSIN
DEPARTMENT OF REVENUE**

Sheboygan Paper Box Co. (Sheboygan) and the Wisconsin Department of Revenue (Department), by their undersigned representatives, hereby enter into this Settlement Agreement (Agreement) in full and final settlement of the Wisconsin real property tax assessment for the property and years identified herein. This Agreement shall be effective as of the last date executed by all of the parties.

WHEREAS, the Department issued to Sheboygan real property tax assessments on its manufacturing property in the City of Sheboygan, Wisconsin, 716 Clara Ave, State ID No. 81-59-281-R-000001329, its manufacturing property in the City of Sheboygan, Wisconsin, 728 S 11th Street, State ID No. 81-59-281-R-000001381, and its manufacturing property in the City of Sheboygan, Wisconsin, 1137 Illinois Ave, State ID No. 81-59-281-R-000001391 (Sheboygan Real Property) for the 2020 and 2021 assessment years.

WHEREAS, Sheboygan appealed all 2020 assessments to the State Board of Assessors (BOA) as BOA Appeal No. 81-169-REO-20 for the 716 Clara Ave property, as BOA Appeal No. 81-170-REO-20 for the 728 S 11th St property, and as BOA Appeal No. 81-171-REO-20 for the 1137 Illinois Ave property, where the Department's assessments for assessment year 2020 were sustained by the BOA.

WHEREAS, Sheboygan timely appealed the 2020 assessments sustained by the BOA to the Wisconsin Tax Appeals Commission (TAC). Sheboygan then withdrew the 2020 appeals for the 728 S 11th Street property and 1137 Illinois Ave property. This left only the 2020 appeal for 716 Clara Ave, which is currently pending as Docket No. 21-MR-194 (TAC Appeal) at TAC.

WHEREAS, Sheboygan appealed its 2021 assessments to the BOA as BOA Appeal No. 81-147-REO-21 for the 716 Clara Ave property, as BOA Appeal No. 81-148-REO-21 for the 728 S 11th St property, and as BOA Appeal No. 81-149-REO-21 for the 1137 Illinois Ave property, where its year 2021 appeals are currently pending.

WHEREAS, Sheboygan and the Department desire to conclusively and finally resolve the issues being contested in the TAC Appeal regarding the Sheboygan Real Property for the 2020 assessment year and the issues being contested in the 2021 BOA appeals for the 2021 assessment year.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sheboygan and the Department hereby agree that:

1. All whereas clauses are incorporated herein by reference.
2. The Department's original 2020 full value assessment of the Sheboygan Real Property at 716 Clara Ave is hereby modified as follows:

<u>Docket No.</u>	<u>Assessment Year</u>	<u>Stipulated Full Value Assessment</u>
21-MR-194	2020	\$2,300,000

3. The 2021 full value assessment of the Sheboygan Real Property at 716 Clara Ave will be modified in an order from the BOA as follows:

<u>BOA Appeal</u>	<u>Assessment Year</u>	<u>Stipulated Full Value Assessment</u>
81-147-REO-21	2021	\$2,325,000

4. Sheboygan agrees to withdraw its 2021 BOA Appeal of the Sheboygan Real Property at 728 S 11th St and will not appeal to TAC.

5. Sheboygan agrees to withdraw its 2021 BOA Appeal of the Sheboygan Real Property at 1137 Illinois Ave, and will not appeal to TAC.

6. Sheboygan waives all appeals on its real property for the 2020 and 2021 assessment years. This includes any and all appeals related to the properties at 716 Clara Ave, 728 S 11th St., and 1137 Illinois Ave.

7. Sheboygan waives any other claim it may have for the 2020 and 2021 assessment years. This includes any and all claims related to the properties at 716 Clara Ave, 728 S 11th St., and 1137 Illinois Ave.

8. Sheboygan waives the right to any interest that may be due under Wis. Stat. § 70.511(2)(b).

9. The parties shall file with the Wisconsin Tax Appeals Commission a Stipulation and Order for Dismissal requesting dismissal of Docket No. 21-MR-194 with prejudice, on the merits and without costs or attorney fees awarded to either party. The parties further agree that this Agreement will not be filed with the Stipulation or be made part of the official record of the Tax Appeals Commission's case file.

10. The parties waive fees, costs, and attorney fees.

11. Sheboygan and the Department agree that this Agreement constitutes the entire agreement among them with respect to Sheboygan's 2020 and 2021 Wisconsin real property assessment of the Sheboygan Real Property, and supersedes any prior understandings, agreements, or representations by or among them, written or oral, to the extent they relate in any way to the subject matter hereof. This Agreement may not be modified or amended, except by a

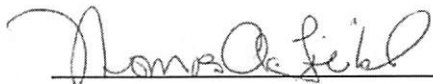
written agreement signed by all parties hereto. The terms of this Agreement shall have no binding effect on any party for any other year not included herein and may not be used by Sheboygan as precedent for any other assessments, appeals, or settlements.

12. The parties acknowledge that the agreed amounts set forth in paragraphs 2 and 3 constitute a settlement of disputed issues and that the Department has not adopted Sheboygan's position on any issue related to the assessment. By entering into this Agreement, none of the parties shall be deemed to accept the merits of another party's legal arguments.

13. Sheboygan and the Department, by their respective signatures below, affirm that they have read and understand all the provisions of this Agreement and agree to comply with all terms herein. They represent and warrant that the undersigned individuals are duly authorized to enter into and execute this Agreement.

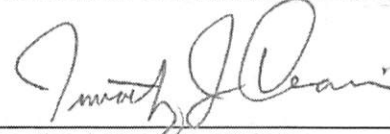
SHEBOYGAN PAPER BOX CO.

WISCONSIN DEPARTMENT OF REVENUE


Date 3/17/2022

Name: Thomas A. LIEBL

Title: CEO


Date 03/17/2022
Timothy J. Drascic, Director
Manufacturing & Utility Bureau
Division of State and Local Finance

I. Introduction

This publication addresses:

- A property owner's responsibility to request a refund from the municipality (town, village or city) for taxes paid in error due to a delayed determination from a Board of Review (BOR), Board of Assessors (BOA), or a court
- How and when a municipality:
 - » Files a request to chargeback refunded taxes under state law (sec. [74.41](#), Wis. Stats.), with the Wisconsin Department of Revenue (DOR)
 - » Requests an interest refund from the Department of Administration (DOA)

The chart on page 5 shows the steps a property owner and a municipality must take to recover and chargeback refunded taxes paid in error as determined by a reviewing authority, under state law (sec. [70.511](#), Wis. Stats.).

II. Reviewing Authority – Delayed Action Under Sec. [70.511](#), Wis. Stats.

A. Determination made after taxes levied

- **Sec. [70.511\(2\)\(a\)](#), Wis. Stats.** – states in part, "If the reviewing authority has not made a determination prior to the time of the tax levy with respect to a particular objection to the amount, valuation or taxability of property, the tax levy on the property or person shall be based on the contested assessed value of the property. A tax bill shall be sent to, and paid by, the person subject to the tax levy as though there had been no objection filed, except that the payment shall be considered to be made under protest. The entire tax bill shall be paid when due under sec. [74.11](#), [74.12](#) or [74.87](#) even though the reviewing authority has reduced the assessment prior to the time for full payment of the tax billed."
- **Sec. [70.511\(2\)\(b\)](#), Wis. Stats.** – states in part, "If the reviewing authority reduces the value of the property in question, or determines that manufacturing property is exempt, the taxpayer may file a claim for refund of taxes resulting from the reduction in value or determination that the property is exempt. If claim for refund is filed with the clerk of the municipality on or before the November 1 following the decision of the reviewing authority, the claim shall be payable to the taxpayer from the municipality no later than January 31 of the succeeding year. A claim filed after November 1 shall be paid to the taxpayer by the municipality no later than the 2nd January 31 after the claim is filed."

B. Value to be used in setting tax rate

If the reviewing authority does not complete its work before the time a municipality sets for establishing its current tax rate, the municipality must use the assessment roll's total value (including contested values) in setting its tax rate.

C. Interest

Under sec. [70.511](#), Wis. Stats., interest on the claim must be paid to the taxpayer when the claim is paid at the average annual discount rate determined by the last auction of six-month U.S. treasury bills before the objection per day for the period of time between the time when the tax was due and the date that the claim was paid.

Proceedings postponement:

- **Taxpayer requests**
 - » Interest on the claim must permanently stop accruing on the request date
 - » Reviewing authority must hold a hearing on the appeal within 30 days after the taxpayer requests the postponement unless the taxpayer agrees to a longer delay
- **Reviewing authority postpones without a taxpayer request**
 - » Interest on the claim must continue to accrue
 - » No interest may be paid if the reviewing authority determines the property value was reduced because the taxpayer supplied false or incomplete information (sec. [70.995\(8\)\(a\)](#), Wis. Stats.)

III. Municipality's Request for Refund of Interest Paid to a Manufacturer

If a municipality pays interest to a manufacturing property assessed under sec. [70.995](#), Wis. Stats., the municipality may request a refund of 20 percent of this interest from DOA under sec. [70.511\(2\)\(b\)](#), Wis. Stats. The municipality must send a written notification/request to DOA no later than July 1 for the interest payments made in the previous fiscal year.

Under sec. [70.511\(2\)\(b\)](#), Wis. Stats., DOA will reimburse a municipality (no later than the 3rd Monday of November) 20 percent of the interest the municipality paid in the previous fiscal year related to taxes refunded for property assessed under sec. [70.995](#), Wis. Stats.

Request should have refund details, including:

- Name of the manufacturer
- Amount of taxes refunded
- Total amount of interest paid
- Amount of interest to be refunded to the municipality by DOA (20 percent of the total interest)
- **Note:** Also include a copy of the determination or stipulation agreement

Send the request to:

Manufacturing Tax Refund Program
DOA, Division of Intergovernmental Relations
PO Box 8944
Madison WI 53708

Also send a copy of the request to:

Local Government Services Bureau
Wisconsin Department of Revenue
PO Box 8971 #6-97
Madison WI 53708-8971

IV. Submitting a Chargeback Request Under [Sec. 74.41, Wis. Stats.](#)

When a reviewing authority reduces a property assessment, a municipality must electronically submit [Form PC-201](#) to DOR no later than October 1.

A. Making a request

By October 1 each year, the municipal clerk must electronically file (e-file) [Form PC-201](#) (Request for Chargeback of Rescinded or Refunded Taxes) with DOR for the general property taxes on the tax roll. Complete a separate form for each real estate parcel number, personal property account, and year. The general property taxes must meet at least one of the following – the taxes were:

- Refunded to taxpayers under sec. [70.511](#), [74.35](#) or [74.37](#), Wis. Stats.
- Refunded or collected under sec. [70.43](#), Wis. Stats.
- Rescinded or refunded to taxpayers under sec. [70.74](#), [74.33](#) or [75.25\(2\)](#), Wis. Stats.

Either of these must also occur:

For assessments as of January 1, 2017 or prior

- Total of all chargeback requests to submit equals at least \$5,000 per tax year
- Tax to chargeback for any single description for any one year is \$500 or more

For assessments as of January 1, 2018 or later

- Tax to chargeback for any single description for any one year is \$250 or more
- Tax refunded/rescinded for any of the five assessment years immediately preceding the year Form PC-201 is submitted or taxes refunded/rescinded because of a court determination, must be submitted no later than one year after the date of the court's determination.
- **Note:** Requirement that all chargeback requests submitted must total at least \$5,000 per tax year no longer applies for assessments as of January 1, 2018 or later

B. Reminder

A municipality must refund the overpaid taxes, along with all applicable interest, to the property owner before submitting a chargeback request to DOR. For more information, review the chart located on page 5.

V. DOR Determination

- After the clerk submits a request to DOR, we determine the amount of rescinded or refunded taxes to chargeback to and collect from, each taxing jurisdiction where the municipality collected taxes. DOR also determines the amount of taxes collected under sec. [74.33](#), Wis. Stats., to share with each taxing jurisdiction where the municipality collected taxes.
- DOR's determination under this subsection is reviewable only under sec. [227.53](#), Wis. Stats.

A. Amount DOR determines may not include any interest except on refunds:

- Issued under sec. [70.511\(2\)\(b\)](#), Wis. Stats.
- Paid for property assessed under sec. [70.995](#), Wis. Stats.
- Not paid to the municipality by DOA under sec. [70.511\(2\)\(bm\)](#), Wis. Stats.

B. If DOR approves the chargeback request – Notice and Payment – sec. [74.41\(5\)](#), Wis. Stats.

- DOR certifies the chargeback amount to the municipal clerk and notifies each affected taxing jurisdiction by November 15
- Each taxing jurisdiction must pay the amount certified to the municipal treasurer by February 15 of the year following the determination

C. No effect on the mill rate limits – sec. [74.41\(6\)](#), Wis. Stats.

- DOR does not consider a tax levied by a taxation jurisdiction to fund an amount the taxing jurisdiction is required to pay, in determining whether the taxing jurisdiction complies with any statutorily imposed mill rate limit
- If DOR denies a chargeback request because it did not meet the minimum requirement of sec. [74.41](#), Wis. Stats., the municipality is responsible for the entire refund except for 20 percent of the interest refunded.

D. Levy limit – sec. [66.0602](#), Wis. Stats.

- The political subdivision's share of any amount of rescinded or refunded taxes determined and certified by DOR under sec. [74.41\(5\)](#), Wis. Stats., is exempt from that subdivision's levy limit. A municipal clerk should enter the subdivision's share of refunded/ rescinded tax in Sec. D, Line D of the Levy Limit Worksheet.
- For questions on DOR determinations, contact the [Equalization Bureau District Office](#) in your area.

VI. Summary

1. BOA (or a court) reduces the assessed value after the municipality levies the taxes (i.e., a delayed action under sec. [70.511](#), Wis. Stats.)
2. Property owner must pay property taxes even if a determination is not made before the taxes are due
3. Property owner must request a refund from the municipality for overpaid taxes
4. Municipality refunds overpaid taxes and applicable interest to the property owner
5. Municipality notifies DOA and DOR of its reimbursement request of 20 percent of the interest paid to a manufacturer due to a value adjustment of property assessed under sec. [70.995](#), Wis. Stats.
6. Municipality submits [Form PC-201](#): Request for Charge Back of Rescinded or Refunded Taxes to DOR by October 1
7. DOR determines by November 15 whether the municipality can chargeback the rescinded or refunded taxes to the other taxing jurisdictions and notifies the municipality and each affected taxing jurisdiction of the amount owed
8. Each taxing jurisdiction must pay the municipal treasurer the amount owed by February 15 of the year following the determination

VII. Contact Information

If you have questions, contact us at lgs@wisconsin.gov.

VIII. Chart

Delayed Action of Reviewing Authority – Refund of Tax and Interest and Chargeback Process

When a reviewing authority issues a determination reducing assessed value in 2022:

1. By November 1 in the year determination issued (2022)

- Property owner submits refund request to municipality by November 1, 2022
- Municipality must issue refund by January 31, 2023
- **If the refund is issued to the property owner:**

BEFORE October 1, 2022:

- » Municipality requests interest refund from DOA no later than July 1 of each year
- » Municipality may submit a chargeback request to DOR by October 1, 2022
- » DOR will issue chargeback determination by November 15, 2022
- » Taxing jurisdictions must reimburse municipality by February 15, 2023

AFTER October 1, 2022:

- » Municipality requests interest refund from DOA no later than July 1 of each year
- » Municipality may submit chargeback request to DOR by October 1, 2023
- » DOR will issue chargeback determination by November 15, 2023
- » Taxing jurisdictions must reimburse municipality by February 15, 2024

2. After November 1, 2022 but before October 1, 2023

- Property owner submits refund request to municipality after November 1, 2022, but before October 1, 2023
- Municipality must issue refund by January 31, 2024
- **If refund is issued to property owner:**

BEFORE October 1, 2023:

- » Municipality requests interest refund from DOA no later than July 1 of each year
- » Municipality may submit chargeback request to DOR by October 1, 2023
- » DOR will issue chargeback determination by November 15, 2023
- » Taxing jurisdictions must reimburse municipality by February 15, 2024

AFTER October 1, 2023:

- » Municipality requests interest refund from DOA no later than July 1 of each year
- » Municipality may submit chargeback request to DOR by October 1, 2024
- » DOR will issue chargeback determination by November 15, 2024
- » Taxing jurisdictions must reimburse municipality by February 15, 2025

Note:

- Municipalities that request interest refunds from DOA applies to interest related to manufacturing property assessed under sec. 70.995, Wis. Stats.
- Taxing jurisdictions must reimburse municipalities only for chargebacks approved by DOR. DOR notifies all parties of approved chargeback determinations.