

# School Levy Tax Credit

Sec. 79.10, Wis. Stats.

1. How is the school levy tax credit calculated?
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3. When are towns, villages and cities notified of the school levy tax credit amount?
4. How is the school levy tax credit reported on individual property tax bills?
5. How does a property owner qualify for the school levy tax credit?

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## 1. **How is the school levy tax credit calculated?**

Formula for calculating the school levy tax credit:

$$\frac{\text{Municipality's 3-Year Average School Levies}}{\text{Statewide 3-Year Average School Levies}} \times \text{Total Funding} = \text{Municipality's Credit}$$

Ex:  $\frac{6,660,558}{4,832,905,497} \times 940,000,000 = \$1,295,478$

## 2. **Is the school levy tax credit paid to the school district?**

No. The Wisconsin Department of Revenue (DOR) distributes this credit to counties and municipalities. DOR makes the payments to the county where the municipality is located and then the county distributes the payment to the municipality. **Note:** DOR can make payments directly to the municipality if the municipality qualifies for one of the exceptions and follows the requirements under state law. (sec. 79.10(7m)(cm), Wis. Stats.)

## 3. **When are towns, villages and cities notified of the school levy tax credit amount?**

DOR must inform municipalities of their school levy tax credit payments on or before November 20 each year. (sec. 79.10 (2), Wis. Stats.)

#### 4. How is the school levy tax credit reported on individual property tax bills?

On property tax bills, school tax levies are reported after subtracting the school levy tax credits. The amount of the school levy tax credit for the current year is listed in a separate box on each property tax bill.

The credit is calculated as follows for each individual property tax bill:

|                                                                                                       |                                                                              |                                              |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------|
| <u>Total Municipality's School Levy Tax Credit</u><br>Final Statement of Assessment for municipality* | x Total assessed value of =<br>property as reported on the property tax bill | School Levy Tax Credit per property tax bill |
| Ex: $\frac{81,293.86}{78,419,700}$                                                                    | x<br>332,100<br>=                                                            | \$344.27                                     |

\*Must equal total value of the school districts (K-12 plus K-8) within the municipality

#### 5. How does a property owner qualify for the school levy tax credit?

The school levy tax credit is applied to every taxable property. The credit amount is based on the property's assessed value as a percent of the municipality's total assessed value.

## Contact Us

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