

How COVID-19 Impacts Wisconsin Property Tax Payments, Assessments and Filing Deadlines

The COVID-19 pandemic has resulted in the IRS and Wisconsin Department of Revenue (WDOR) extending income tax payments and filing return deadlines until July 15, 2020. However, there has been no such extension for property tax payments or related manufacturing forms. Despite the apparent and predicted contractions in the economy, there will also not likely be any reduction in your 2020 property assessments due to COVID-19.

2019 Property Tax Payments (Payable in 2020)

UPDATE (Property Tax): [Gov. Evers Signs Wisconsin COVID-19 Relief Act Into Law](#)

Your property tax bill—which you should have received it in December 2019—should clearly provide all deadlines for payments. Many municipalities in Wisconsin allow taxpayers to make two equal installment payments, with the first installment being paid by January 31, 2020, and the second becoming due by July 31, 2020. Some municipalities, such as the City of Milwaukee, have 10 equal installments paid between January and October 2020. Other municipalities allow for multiple installments first payable by January 2020, and on subsequent installment dates. Because of the differing deadlines between municipalities, it is important to know the specific deadlines for your municipality to ensure you make timely property tax payments for your specific municipality.

Wisconsin statutes require timely property tax payments for any taxpayer to maintain a claim of excessive assessment attempting to obtain a refund of property taxes from the municipality, Wis. Stat. § 74.37(4)(b). If you previously challenged your 2019 property tax assessment and have yet to obtain a resolution, it is imperative that you make timely property tax payments in order to maintain your right to appeal.

Recent guidance from the WDOR reiterates that COVID-19 does not impact the deadlines for property tax payments.

Manufacturing M-R/M-P/M-L Forms

Wisconsin Statutes require that manufacturers file their personal and real property reports—Forms M-R, M-P and M-L (M-Forms)—by March 1 of each year, Wis. Stat. § 70.995(12). However, the statute allows an automatic extension to

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April 1, if a taxpayer requested an extension before March 1. (Because March 1 fell on a Sunday in 2020, the deadline was actually March 2.) If a taxpayer fails to comply with these dates, the WDOR automatically issues a penalty of up to \$750 for the delay. The manufacturer can get that penalty reversed only if it shows the delay is the result of a “reasonable cause.” Because the WDOR has asserted that COVID-19 has not affected the deadlines for filing M-Forms, it is unlikely the WDOR will find this pandemic to constitute “reasonable cause,” absent additional extenuating circumstances. With the implementation of Wisconsin’s “Safer at Home” order, one business organization has requested that the WDOR extend the deadline for filing M-Forms. However, to date, the WDOR has made no change to the current deadlines.

Reinhart’s advice on filing M-Forms is, if you have not done so already, be sure to file any M-Forms by Wednesday, April 1, 2020, assuming you requested an extension before March 2. You may be able to amend or supplement later if need be. If you do not file your M-Forms by April 1, you will receive a non-filing penalty from the WDOR. And, you may even lose your right to appeal your assessment as Wisconsin statutes require taxpayers to file M-Forms in order to maintain the right to seek a redetermination or appeal of your assessment, Wis. Stat. § 70.995(12)(a). To preserve your ability to challenge any manufacturing assessment, you must file your M-Forms, even if the form is filed late.

2020 Property Assessments

Many property owners may also wonder how COVID-19 will affect their 2020 property assessments. The potential loss of revenue from tenant businesses closing or tenants failing to pay rent are just some of the potential negative impacts of COVID-19. Unfortunately, assessments are not likely to reflect any impact of COVID-19 on income and expenses for property owners that are considered by assessors in determining 2020 property assessments. Property assessments are not likely to recognize the devastation of COVID-19 until 2021, if at all.

The WDOR recently published guidance on property assessment and taxation information on March 24, 2020, indicating that COVID-19 will not impact the value or classification for January 1, 2020 assessments. This is based on Wisconsin law, which requires assessors to value property as of January 1 of each tax year, Wis. Stat. § 70.10. Since the COVID-19 pandemic did not materialize in the United States until February/March of 2020, assessors will not likely take into consideration any impact resulting from this pandemic for January 1, 2020



assessments. Property owners will likely have to wait until 2021 to see any potential reduction in property assessments resulting from the second and third order effects on income and expenses for properties.

2020 Board of Review Hearings

According to the WDOR, COVID-19 will not delay 2020 assessments or Boards of Review (BORs). While no official postponement has been declared, Reinhart is at least aware of one municipality claiming assessments will be delayed by at least a month. Wisconsin statutes still require a BOR to meet for each municipality between April 27 and June 10, 2020, Wis. Stat. § 70.47(1). BORs usually take testimony and evidence from witnesses in person at the hearing. However, testimony via telephone and sworn written statements is permitted at the discretion of each BOR, Wis. Stat. § 70.47(8). Given the current environment we all find ourselves in, Reinhart anticipates telephone testimony and sworn written submissions will be more widely used during the 2020 BOR hearings held throughout Wisconsin.

Reinhart is here for clients during these difficult and confusing times. If you have any questions about your property tax assessment or any information discussed in this article, please contact [Don Millis](#), [Kristina Somers](#), [Sara Stellpflug Rapkin](#) or [Shawn Lovell](#), or any attorney within Reinhart's [State and Local Tax Planning Practice](#) to discuss further.

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