

Close loopholes, return fairness to tax bills

Michael Neitzke, Tom Barrett and Cory Mason

At this time of year, all property owners receive a bill for their share of the cost of local government. Unfortunately, a growing trend is affecting that bill; large, often out-of-state retailers are pushing their fair share of property taxes onto homeowners and smaller businesses.

Local governments in Wisconsin, including schools and municipal governments, rely on property taxes to fund essential services. That's what the state requires.

Armed with loopholes that Wisconsin courts have approved, these chain stores, fast-food operations, and big-box retailers artificially reduce their property assessments by millions of dollars. And when they succeed in doing that, everyone else is forced to make up the difference in order to pay for police, teachers, fire departments and local roads.

Along with local officials throughout Wisconsin, we are united in calling for tax fairness. The Wisconsin Legislature can close the loopholes — fix the problem — and restore the balance among different classes of property that our residents have always counted on.

Two pieces of legislation, Senate Bills 291 and 292, have broad support from legislators across the political spectrum. These bills have received unanimous committee approval and await scheduling for a vote in the state Senate. We want that to take place promptly.

Lobbyists fighting these bills have falsely claimed local officials are trying to collect more taxes. That's just not true. This legislation does nothing to increase revenue. What it does do is require owners to pay property taxes based on the real value of their property. This is all about fairness.

In communities across Wisconsin, corrective legislation will have a real impact, correcting the tax shift that has occurred and preventing future tax shifts that directly impact homeowners.

SB 291 will close the loophole that emerged in a 2008 Wisconsin Supreme Court decision. A national pharmacy chain succeeded in reducing its assessments by arguing the contract rent it paid should not be the basis for its assessment.

So, even though a property might actually sell for \$5 million dollars, it would pay taxes on only about half of that amount.

SB 292 clarifies the assessment of big-box stores so that the "dark store" loophole is closed. These large retailers have argued their assessments should be based on the value of similar properties that are empty or boarded up. The proposed law would establish objective and fair assessment standards.

Clever tax law professionals will always look for ways to reduce tax bills for the businesses that hire them. But when tax avoidance strategies are so egregious that homeowners, collectively, end up paying millions and millions of dollars more, then corrective action is needed.

Homeowners deserve a return to a fair allocation of the tax levy for basic municipal services. We are asking legislative leaders to schedule a vote on SB 291 and SB 292 and restore fairness for Wisconsin property taxpayers.

Michael Neitzke is mayor of Greenfield and chair of the Milwaukee Intergovernmental Cooperation Council; Tom Barrett is mayor of Milwaukee; and Cory Mason is mayor of Racine. This commentary was also signed by these officials: Carl Krueger, village president, Brown Deer; John Hohenfeldt, mayor, Cudahy; Michele DeYoe, mayor, Delafield; Scott Botcher, village manager, Fox Point; Douglas Frazer, village president, Fox Point; Steve Olson, mayor, Franklin; Rachel Reiss, city administrator, Glendale; Bryan Kennedy, mayor, Glendale; James Birmingham, village president, Greendale; Todd Michaels, village manager, Greendale; Joe Helm, village president, Menomonee Falls; David Ament, mayor, New Berlin; Daniel Bukiewicz, mayor, Oak Creek; John Steinbrink, village president, Pleasant Prairie; Tom Shircel, village administrator, Pleasant Prairie; J. Stephen Anderson, village president, River Hills; George Stoner, village president, Somers; Erik Brooks, mayor, South Milwaukee; Jeff Flaws, village president, Wales; Kathy Ehley, mayor, Wausatosa; Dan Devine, mayor, West Allis; Kraig Sandownikow, mayor, West Bend; John Stalewski, village president, West Milwaukee; Julie Siegel, village president, Whitefish Bay; Van Mobley, village president, Thiensville; Steve Ponto, mayor, city of Brookfield.