



Legislation Text

File #: 37906, **Version:** 1

Fiscal Note

No appropriation required.

Title

Opposing Elimination of Personal Property Taxes.

Body

WHEREAS, Representative Bob Kulp (R-Stratford) and Senator Tom Tiffany (R-Hazelhurst) plan to introduce legislation that would eliminate both the personal property tax and the computer aid payments made to local governments; and

WHEREAS, in the City of Madison, the state computer aid and the personal property tax bring in almost \$10 million, more than the entire operating budgets of the assessor's office, treasurer's office, mayor's office, common council, municipal court, city attorney, and city clerk combined; and

WHEREAS, the total statewide personal property tax levy collected in 2014 was \$290 million; and

WHEREAS, elimination of the personal property tax on businesses will shift that property tax burden to residential homeowners, who, on average already pay 70% of the statewide property tax levy; and

WHEREAS, the impact of eliminating the personal property tax will be greatest in cities like Madison, where most of the personal property tax base is located, and will likely result in a reduction in the incremental levy for many tax incremental finance districts; and

WHEREAS, in Madison in 2015, removing all personal property from the tax roll would have shifted \$4.3 million to residential property owners, increasing city taxes on the average value home by approximately \$77; and increasing the total tax bill by almost \$200; and

WHEREAS, the State has been making computer aid payments to local governments since 2001 to offset the personal property tax exemption for computer equipment that was created that year, with the total payment for 2015 set at \$83.8 million; and

WHEREAS, in the City of Madison, the loss of computer aid payments would decrease state aid payments by \$2.9 million.

NOW THEREFORE BE IT RESOLVED, that the Mayor and Madison Common Council opposes any attempt by the State Legislature to eliminate the personal property tax and the computer aid payments local governments receive for tax-exempt computer and related equipment; and at a minimum, the loss in local tax base and resulting tax shift must be addressed before moving forward with the legislation.