

City of Columbus: Urges passage of legislation on this “Dark Store Day Of Action”

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The City of Columbus joins with many local leaders all across Wisconsin in designating December 11 as “Dark Store Day” to draw attention to legislation designed to close the dark store loophole. As big box retail chains and single tenant commercial properties use these strategies to significantly reduce their property taxes, other taxpayers, mainly homeowners, will see their property taxes increase as they shoulder more of the tax levy. The Columbus City Council and local leaders statewide are calling on state legislators to stop this unfair tax shift by scheduling a vote in January on Senate Bill 291 (reversing the Walgreens decision) and Senate Bill 292 (closing the dark store loophole).

“Last week, the City of Columbus approved our 2018 annual City Budget,” said Michael Thom, Columbus Mayor “City officials invest considerable time and effort to ensure that our budget is fair and equitable for our taxpayers.” Thom stated -“The dark store loophole is not fair since average homeowners are not permitted to compare value of their homes to an uninhabitable house at half the value.”

“I join my all my colleagues who serve as local officials to urge the Wisconsin State Legislature to pass the Dark Store and Walgreens reversal bills,” said City Administrator Patrick Vander Sanden. “These bills have lots of support. People are beginning to realize what will happen if the loophole is not closed.”

SB 291 closes a gap in Wisconsin’s property assessment laws that allow single

tenant

commercial properties, like Walgreens and CVS, to argue that the value of their property is not what it appears to be. As a result of a 2008 Supreme Court ruling, chain drug stores have been paying taxes on their properties in Wisconsin at half their actual fair market selling price; a discount unavailable to residential and owner-occupied commercial properties.

SB 292 nullifies a related but different tax avoidance tactic. National big box retail chains and other commercial property owners are challenging their assessed values using the “Dark Store Strategy” to argue that their thriving businesses must be assessed for tax purposes as though they were a vacant, boarded up property. The Indiana legislature and Michigan courts have recently invalidated the dark store theory in those states. Adoption of SB 292 would make it clear that the Dark Store loophole is closed in Wisconsin.

“The potential property tax loss that would create an increase for other taxpayers in our community if the dark store strategy and Walgreens decision is fully implemented is for year 2017 \$42,333 in tax dollars, said Kim Manley, Columbus Finance Director.

At their December 5, 2017 meeting the Mayor and members of the Columbus City Council

reiterated their call for the Dark Store Bills be passed. Earlier this year, they approved

Resolution 12-17: A Resolution Asking our State Legislators to Support Closure of Loopholes that Shift Greater Property Tax Burden from Commercial Property Owners to Residential Homeowners. Resolution 12-17 was then submitted to State Senator Scott Fitzgerald and State Representative John Jagler for their review.

Today, Columbus City officials including the Mayor and the City Council urge all taxpayers to join them by contacting your elected representatives in Madison, to take action on this

Legislation and to close this unfair loophole.