

Assembly Passes Summer Sales Tax Holiday Bill

Posted on Tuesday, Apr 13, 2021

The Assembly voted 62-32 today to create a more than \$170 million sales tax holiday for bars, restaurants and other entertainment businesses this summer.

The vote did not follow party lines with seven Dems voting in favor of the bill and two Republicans voting against.

According to a fiscal estimate from the Department of Revenue, the proposal would decrease state revenues by \$162.4 million. The biggest chunk of that would be \$159 million in sales taxes revenue with another \$2.4 million from taxes on food and beverage, and \$1 million lost through the premier resort area tax, a local tax municipalities can use to pay for infrastructure expenses within the jurisdiction.

County sales tax collections also would drop about \$13.3 million.

>> WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)

Ahead of the vote, lawmakers rejected along party lines a Dem amendment that would've made an appropriation to backfill the loss in county revenue with state dollars.

"While a tax holiday sounds like a fantastic holiday for consumers, at the same time this is going to be a significant loss of revenue," said Rep. Beth Meyers, D-Bayfield.

The bill's author Rep. Patrick Snyder, R-Schofield, urged his colleagues to vote for the bill because he felt it would incentivize people to spend more money in restaurants and other parts of the entertainment industry which has been hit hard by the COVID-19 pandemic.

"I'm trying to put a little bit of juice into an industry that we hurt," he said. "It might

not be great economic ideas, but you know what it is? It's popular."

He noted how local governments have received federal aid from the latest care package and suggested county supervisors should be the ones to "fill in the background" instead of state lawmakers.

It now goes to the Senate for approval before heading to Gov. Tony Evers' desk.

See the fiscal estimate:

https://docs.legis.wisconsin.gov/2021/related/fe/ab242/ab242_dor.pdf