

PPT co-sponsorship memo

Posted on Tuesday, Jan 10, 2023

TO: All Legislators

FROM: Representatives Knodl, Armstrong, Allen, Callahan, Dittrich, Edming, Gundrum, Moses, Murphy, Neylon, Novak, Oldenburg, Schraa, Snyder, Sortwell, Steffen, Summerfield, Tittl, Tranel, VanderMeer, and Wichgers

Senators Stroebel, Testin, and Jacque

DATE: Monday, January 9th

RE: Co-Sponsorship of LRB-1374/1 and 1228/1 relating to: eliminating the personal property tax

DEADLINE: 5pm on Tuesday, January 17th

This legislation repeals the tax assessment of the remaining categories of the personal property tax here in Wisconsin.

The personal property tax is burdensome to job creators both financially and in the amount of time and effort it takes to comply. Not only must they pay additional taxes on property which has already been taxed, but they must catalog and calculate value for that property as well. The process is complicated and time-consuming. The requirements to comply with the personal property tax hit small businesses and start-ups particularly hard, making it more difficult for them to get off the ground, expand, and create new jobs.

Assessing and collecting the tax is also an unnecessarily inefficient use of time and resources for many municipalities across the state when compared to the revenue the tax generates.

The proposal to eliminate the personal property tax has enjoyed wide support across the state in recent years, including both a coalition representing more than 400,000 businesses and a bill passing the legislature last session with bipartisan

support in both chambers. Groups supporting repeal of this tax include:

- Alliance of Wisconsin Retailers
- Americans for Prosperity-Wisconsin
- Associated Builders & Contractors
- Associated General Contractors of WI
- Association of Wisconsin Tourism Attractions
- Bell Ambulance
- Bowling Centers of Wisconsin
- Cooperative Network
- Great Lakes Credit & Collection Association
- Greater Whitewater Committee
- Independent Insurance Agents of Wisconsin
- Plumbing & Mechanical Contractors
- Mechanical Contractors Association of Wisconsin
- Metropolitan Milwaukee Association of Commerce
- Midwest Food Products Association
- Midwest Hardware Association
- National Association of Industrial and Office Properties- Wisconsin Chapter
- National Federation of Independent Businesses-WI Chapter
- National Waste & Recycling Association- WI
- Outdoor Advertisers Association of Wisconsin

- Professional Insurance Agents of Wisconsin
- Sheet Metal & Air Conditioning Contractors Association
- Skiing Wisconsin, Inc.
- Tavern League of Wisconsin
- Water Quality Association of Wisconsin
- Wisconsin Association of Meat Processors
- Wisconsin Association of Music Operators
- Wisconsin Broadcasters Association
- Wisconsin Builders Association
- Wisconsin Cable Communications Association
- Wisconsin Dental Association
- Wisconsin Hotel & Lodging Association
- Wisconsin Housing Alliance
- Wisconsin Grocers Association
- Wisconsin Independent Businesses
- Wisconsin Insurance Alliance
- Wisconsin Motor Carriers Association
- Wisconsin Newspaper Association
- Wisconsin Paper Council
- Wisconsin Petroleum Marketers & Convenience Store Association
- Wisconsin Propane Gas Association

- Wisconsin Property Taxpayers
- Wisconsin Realtors Association
- Wisconsin Recreational Vehicle Dealers Alliance
- Wisconsin Restaurant Association
- Wisconsin Transportation Builders Association
- Wisconsin Veterinary Medical Association

Around the country and here in the Midwest, states have eliminated or are phasing out the personal property tax. It is time for Wisconsin to take the final step in repealing the personal property tax. Doing so will take another burden off the backs of small businesses and give them more time and resources to continue creating jobs, raising wages, and investing in growth.

Beginning on January 1, 2023, the remaining categories of personal property tax would be exempt from tax assessment. This means businesses would no longer be required to comply with the hasslesome task of cataloging and calculating their payments, and municipalities would no longer need to assess and collect the tax.

The 2021-23 budget built money into the baseline to reimburse local governments for lost tax collections, ensuring the state can make local governments whole when the first funds would be needed in 2024.

If you would like to be a co-sponsor, please contact Representative Knodl's office (6-3796) or Senator Stroebel's office (6-7513) by **5pm on Tuesday, January 17th**. All co-sponsors will be added to both the Senate and Assembly resolutions.

Analysis by the Legislative Reference Bureau

Under current law, beginning with the property tax assessments as of January 1, 2018, machinery, tools, and patterns, not including those items used in manufacturing, are exempt from the personal property tax. However, beginning in 2019, the state pays each taxing jurisdiction an amount equal to the property taxes levied on those items of personal property for the property tax assessments as of January 1, 2017.

Under the bill, beginning with the property tax assessments as of January 1, 2023, no items of personal property will be subject to the property tax.

The bill also makes a number of technical changes related to the repeal of the personal property tax, such as providing a process whereby manufacturing establishments located in this state that do not own real property in this state may continue to claim the manufacturing income tax credit.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.