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Non-profit hospitals own \$6 billion in tax-exempt property

Other property owners make up the difference in lost property taxes

Wisconsin's 124 non-profit hospitals own at least six billion dollars worth of tax-exempt property that could be generating at least \$117 million in property taxes yearly to help support local services, according to a new report from the Institute for Wisconsin's Future (IWF).

These tax-exempt hospitals and medical centers are located in 100 communities statewide. Because they generally do not pay property taxes, homeowners and business owners are forced to pay the hospitals' share for the police, fire, transit, road maintenance, schools and other basic systems of government the hospitals themselves rely on.

The report, *Hospitable Taxes: How non-profit hospitals profit from our out-dated tax system*, is available online at the Institute for Wisconsin's Future's web site: www.wisconsinsfuture.org. The report includes a table with data on each non-profit hospital in the state, including potential local property tax payments.

Because the hospitals avoid paying property taxes, a family of four in effect subsidizes the non-profit hospital industry an average of at least \$88 each year.

While non-profit hospitals argue their charitable work justifies their tax exemptions, the fact is that many large non-profit hospitals are indistinguishable in their operations from for-profit hospitals. Executive salaries, charitable care and annual revenue surpluses are every bit the same in the big non-profit institutions as in comparable for-profit ones.

IWF examined the non-profit hospital industry as part of its look into how to secure adequate funding for the local infrastructures that are vital for the state's long-term economic health.

Its recommendations include updating hospital property value information and reviewing the state criteria for awarding non-profit status to hospitals.

IWF is a non-profit research and advocacy organization based in Milwaukee. Funded primarily by philanthropies, it is working to modernize the state and local tax systems in order to provide adequate funding for public structures in a manner that is fair to all taxpayers.

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