

July 2, 2021

**Personal Property Tax Bill**  
by Rep. Dave Considine (D-Baraboo)



*Dave Considine represents the 81<sup>st</sup> District in the State Assembly. The 81<sup>st</sup> District includes Baraboo, Sauk City, Prairie du Sac, Portage, and many other communities. His office can be reached at (608) 266-7746 or via email at [Rep.Considine@legis.wisconsin.gov](mailto:Rep.Considine@legis.wisconsin.gov)*

On June 29<sup>th</sup> the Wisconsin State Assembly voted on Assembly Bill 117 relating to eliminating the personal property tax. I have been an advocate of repealing the personal property tax since I was elected. The personal property tax is unfair to small businesses. It taxes the tools they own which are necessary to conduct their business like blow-dryers for a salon, ladders for a roofer, or ovens and mixing tools for restaurants. However if the state eliminates this tax, it should supply the revenue it takes away from local municipalities. These dollars are what local governments use to repair local roads and supply police, fire, and EMT services.

That is why I have met many times with my colleagues on both sides of the aisle on this. I wanted to ensure that when we finally passed a bill in the legislature we would do it right. Unfortunately, the bill we passed on the 29<sup>th</sup> leaves much to be desired. The legislature did agree to finance the cut but it is only for the next two years. My colleagues argued that we cannot guarantee funding past the current budget, but that's what we do time and time again with tax cuts. I don't see how this fiscal decision is any different. Ensuring that the state doesn't falter on our commitment to maintain a similar funding level creates stability in local budgets.

Another issue with the bill is that it unlawfully taxes railroads. Current Wisconsin statute states that railroads cannot be treated differently than other taxed entities. Assembly Bill 117 breaks the law by retaining the state property tax on railroads and repealing personal property tax on other businesses. Importantly, the railroad property tax goes to the transportation fund. The state will likely find that this poorly crafted bill creates an issue for our crucial transportation fund. A last minute amendment was added to ensure transfer of \$64 million from the general fund to the transportation fund if railroads reject this bill and refuse to pay taxes. Unfortunately, transferring \$64 million from the general fund to the transportation fund each budget is not sustainable and our roads cannot take \$64 million less in investments.

Finally, although the bill passed the Senate and Assembly my colleagues decided that the Joint Finance Committee should be able to hold on to these funds and release them on a “needed” basis. This concerns me greatly. In the past couple of years alone the Joint Finance Committee has held on to funds for bills that passed the legislature as they said they were not needed. To explain this further – the Joint Finance Committee members voted for these bills on the floor and agreed with them, but when it came to actually releasing the funds for homelessness and farmer mental health, they decided the programs didn’t need funding after all.

It is for these reasons that my vote was a no on June 29<sup>th</sup>. I am supportive of repealing the personal property tax. I am supportive of supporting our local municipalities through making them whole. I was not supportive of this bill.