



**WISCONSIN
GROCERS
ASSOCIATION**

Wisconsin Grocers Association - Position Paper
Personal Property Tax - Repeal
2023-2024 Legislative Session

POSITION: **FRIEND OF GROCERS KEY VOTE!** Wisconsin Grocers Association (WGA) is seeking the full repeal of the personal property tax in the 2023-24 legislative session.

SUMMARY: The Wisconsin Personal Property Tax is a tax imposed on certain personal property, such as vehicles, boats, and business equipment, by the state of Wisconsin. Sometimes called the “unknown tax,” it is based on the fair market value of the property and is typically assessed by the municipality in which the property is located. The funds generated by the tax are used by the county to fund local services, such as schools, roads, and public safety.

IMPACT ON GROCERS:

The personal property tax is burdensome to grocers both financially and in the amount of time and effort it takes to comply. Not only must they pay additional taxes on property that has already been taxed, but they must catalog and calculate the value of that property as well. The process is complicated, time-consuming, and may not be consistent from one municipality to another, compounding the problem for operators with stores in multiple counties. The requirements to comply with the personal property tax hit small businesses particularly hard, making it more difficult for them to expand, and create new jobs.

Eliminating the personal property tax creates an equitable tax code and would treat everyone equally under the property tax law. More importantly, from an economic development perspective, all our neighboring states have eliminated or are phasing out the personal property tax and are using it to attract businesses. Seven states have no personal or tangible property tax, including our closest neighbors: Minnesota, Iowa, Illinois, North Dakota, and South Dakota, with Michigan, most recently phasing out the personal property tax in 2014.

BACKGROUND: Existing prior to statehood, the tax has morphed over the years and is now riddled with exemptions, with some groups reporting the \$200+million tax is now estimated to generate a small fraction of revenue from just a few decades ago.

In 2016, the WGA created a coalition of about 50 business groups that all supported repeal of the personal property tax. In the 2017-2018 State Budget, the WGA, and the Coalition to Repeal Wisconsin’s Personal Property Tax successfully advocated for a \$75 million exemption for machinery. The remnants of Wisconsin’s personal property tax leave an extremely unfair tax on small and main street businesses. The most recent exemption on machinery was clearly defined by the Legislature, however interpretation was left up to municipal assessors and businesses. In the 2021-22 legislature and governor attempted to eliminate the tax but could not overcome policy differences.

CONTACT: Mike Semmann, (608) 516-8567
msemmann@wisconsin-grocers.com
Vice President Government Affairs