



# KARL VAN ROY

STATE REPRESENTATIVE

**For Immediate Release**  
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## **Van Roy Calls on Leadership to Close *Newark* Loophole** *Bill prevents property tax shift to homeowners*

**Madison** – Today, State Representative Karl Van Roy (R-Howard) called on Assembly Republican leadership to schedule Senate Bill 122 for floor action prior to August 1 in order to close a tax loophole created by a Wisconsin Tax Appeals Commission that would otherwise give certain manufacturers a large property tax break and shift more of the property tax burden onto to homeowners and small businesses.

“Closing this tax loophole is critical to protecting overtaxed families from paying even more in property taxes,” stated Van Roy. “If we act prior to August 1, The Department of Revenue can implement the law change immediately so that homeowners aren’t stuck holding the bag.”

Senate Bill 122 reverses a 2004 Wisconsin Tax Appeals Commission interpretation of a 1953 law that was designed to reduce air and water pollution by making waste treatment facilities and pollution abatement equipment exempt from property taxes. The Commission ruled that a manufacturer using cardboard waste and waste paper to create pulp for manufacturing paperboard qualifies for the exemption. As a result, the company in the case, the New Jersey-based Newark Group, Inc., was able to claim all 20 acres of its facility, including parking lots, tax exempt.

“For over 50 years this tax exemption was narrowly defined for a single purpose. This ruling expands it well beyond what the legislature intended. That is why I firmly believe that tax policy should be set by elected officials, not by an unelected commission that is unaccountable to the people.”

Because of the *Newark* decision, it is estimated that up to \$2 billion of industrial property could be removed from local property tax rolls resulting in a massive property tax shift to homeowners and small businesses. According to the Mayor of Green Bay, the city of Green Bay alone could have over \$115 million taken away from its tax base.

“Legislators from both political parties agree that closing this loophole is the right thing to do,” stated Van Roy. “Homeowners and small business owners already have a high enough tax burden without having to shoulder the costs that are rightfully due from industry. It’s time to get this thing done.”

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