



WISCONSIN LEGISLATURE

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Rep. Born, Sen. Stroebel Introduce Legislation to End Tax Increase Scheme

LRB 5085 would curtail new approach municipalities are using to tax residents

Madison –Representative Mark Born and Senator Duey Stroebel introduced legislation today that bars local governments from bypassing state law to increase taxes on their residents. LRB 5085 would require any local government receiving revenue from a transportation utility to reduce its property tax levy by the same amount.

“Local governments are using legal gymnastics to create new taxes on their residents. Nowhere in statute are municipalities authorized to create these utilities,” Rep. Born said. “If these new tax schemes are allowed, what will they dream up next?”

Local governments are subject to limits under state law on how much tax can be imposed on residents, however, certain municipalities have created a new “transportation utility fee” as a way to circumvent levy limits to impose new taxes on residents. The requirement under LRB 5085 to reduce the levy by an amount equal to the transportation utility could be waived with the consent of voters through passage of a referendum. Existing transportation utilities would be subject to the requirements under the bill.

“When Republicans took control of the Legislature, Wisconsin had the 5th worst state and local tax burden in the country. The most recent Tax Foundation rankings place Wisconsin nine spots better but above the national average. We still have more to do,” Sen. Stroebel added. “Levy limits play a critical role in improving our tax climate and we cannot allow a local government to invent new ways to tax us.”

The legislation comes at a time when state and federal funds for local road aids have increased substantially. Since 2017, municipal aid from the state has increased by 24% and the Legislature provided \$190 million in local road improvement grants over the past two budgets, beyond the general transportation aid increases. These new state funds are in addition to existing revenue sources available to local governments. Besides state funds for local road improvements, the federal government has poured billions of dollars into local governments and infrastructure in recent months.

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