



Personal Property Tax Elimination Bill Advances

Last week, the Senate Committee on Universities and Revenue voted to advance Senate Bill 2, a bill I introduced with Senator Duey Stroebel which aims to eliminate the personal property tax in Wisconsin.

The personal property tax is not particularly well-known unless you run a business or work for a local unit of government. Those who are familiar with it almost universally hate its existence. That also helps explain the fact that it passed the Senate committee 7-2 on a bipartisan vote.

The personal property tax is an antiquated and burdensome tax that imposes unnecessary costs and administrative burdens on both small businesses and local governments. Small businesses must complete the task of assessing, valuing, and reporting their personal property assets such as machinery, equipment, and furnishings. The compliance costs associated with this tax can be substantial, especially for the smallest businesses, thereby diverting resources that could be better utilized for the business's core activities.

All of our neighboring states have eliminated their personal property taxes. Eliminating the personal property tax in Wisconsin will improve the state's competitiveness and attractiveness to businesses. Now is the time to do it. Our state is currently enjoying a massive \$7 billion surplus. Efforts to repeal the personal property tax have been ongoing for over a century, and I am confident that we are close.

Going forward, elimination of the personal property tax will be part of a broader reform of the way our local governments receive funding. Assembly Bill 245, which I have also co-sponsored, will provide significant financial relief to our struggling local governments by diverting 20 percent of our state's sales tax revenues to help fund counties and municipalities. This "shared revenue" reform will provide our local governments with a stable, growing tax base that will help them maintain funding of critical services, police and fire departments, and local road improvements.

As the newly appointed chair of the Senate Committee on Shared Revenue, Elections, and Consumer Protection, I look forward to helping advance these common-sense reforms in the weeks to come.