

# 1999 ASSEMBLY JOINT RESOLUTION 109

March 9, 2000 – Introduced by Representative MUSSER. Referred to Committee on Government Operations.

1     **To amend** section 1 of article VIII; and **to create** section 11 of article VIII of the  
2           constitution; **relating to:** authorizing cities, villages, towns and counties to  
3           levy individual income taxes and sales and use taxes; prohibiting them from  
4           levying property taxes in excess of the amount currently levied; and requiring  
5           the payment to this state of amounts collected in excess of the amount currently  
6           levied (first consideration).

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### ***Analysis by the Legislative Reference Bureau***

This proposed constitutional amendment, proposed to the 1999 legislature on first consideration, authorizes cities, villages, towns and counties to levy individual income taxes and sales and use taxes; prohibits them from levying property taxes in excess of the amount currently levied; and requires the payment to this state of amounts collected in excess of the amount currently levied.

The sales and use taxes may only be levied by a city, village, town or county on the same property, services, use and consumption that are subject to the sales and use taxes imposed by this state and for which the taxable event occurs in the governmental unit. Income taxes may only be levied by a city, village, town or county on the same net taxable income and the same individuals and fiduciaries that are subject to the income taxes imposed by this state who are residing in the governmental unit, which taxes may be graduated and progressive.

The imposition of a tax, the increase of the rate of the sales and use tax or the increase of any of the rates of the income tax by a city, village, town or county requires

the approval of two-thirds of the members present of the governing body of such a governmental unit.

A proposed constitutional amendment requires adoption by 2 successive legislatures, and ratification by the people, before it can become effective.

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1           ***Resolved by the assembly, the senate concurring, That:***

2           **SECTION 1.** Section 1 of article VIII of the constitution is amended to read:

3           [Article VIII] Section 1. The rule of taxation shall be uniform but the legislature  
4 may empower cities, villages or towns to collect and return taxes on real estate  
5 located therein by optional methods. Taxes shall be levied upon such property with  
6 such classifications as to forests and minerals including or separate or severed from  
7 the land, as the legislature shall prescribe. Taxation of agricultural land and  
8 undeveloped land, both as defined by law, need not be uniform with the taxation of  
9 each other nor with the taxation of other real property. Taxation of merchants'  
10 stock-in-trade, manufacturers' materials and finished products, and livestock need  
11 not be uniform with the taxation of real property and other personal property, but  
12 the taxation of all such merchants' stock-in-trade, manufacturers' materials and  
13 finished products and livestock shall be uniform, except that the legislature may  
14 provide that the value thereof shall be determined on an average basis. Taxes may  
15 also be imposed by this state on incomes, privileges and occupations, which taxes  
16 may be graduated and progressive, and reasonable exemptions may be provided.

17           **SECTION 2.** Section 11 of article VIII of the constitution is created to read:

18           [Article VIII] Section 11 (1) In this section, "governmental unit" means a city,  
19 village, town or county.

20           (2) (a) A governmental unit may not levy property taxes in any year in excess  
21 of the amount of property taxes it levied in the year preceding the year in which the

1 ratification of this paragraph occurs, except to the extent authorized pursuant to  
2 pars. (b) and (c).

3 (b) The legislature, by law, shall provide a mechanism to adjust the amount  
4 under par. (a) to reflect any subsequent transfer of all or any part of the cost of  
5 providing a governmental function.

6 (c) The legislature, by law, shall provide a mechanism to adjust the amount  
7 under par. (a) to reflect any subsequent annexation; the creation of a new  
8 governmental unit; or the consolidation, or change in the boundaries, of a  
9 governmental unit.

10 (d) A governmental unit shall pay all amounts collected in violation of this  
11 subsection into the general fund of this state, notwithstanding section 1 of this  
12 article.

13 (3) A governmental unit may impose:

14 (a) Sales and use taxes on the same property, services, use and consumption  
15 that are subject to the sales and use taxes imposed by this state and for which the  
16 taxable event occurs in the governmental unit.

17 (b) Income taxes on the same net taxable income and the same individuals and  
18 fiduciaries that are subject to the income taxes imposed by this state who are residing  
19 in the governmental unit, which taxes may be graduated and progressive.

20 (4) The imposition of a tax, the increase of the rate of the sales and use tax or  
21 the increase of any of the rates of the income tax under sub. (3), including one  
22 required under section 5 of this article, section 4 of article X or section 3 (3) or (4) of  
23 article XI, requires the approval of two-thirds of the members present of the  
24 governing body of the governmental unit.

