

**1999 DRAFTING REQUEST**

**Assembly Joint Resolution**

Received: 02/09/2000

Received By: dykmapj

Wanted: Soon

Identical to LRB:

For: Terry Musser (608) 266-7461

By/Representing: Michael Birkley

This file may be shown to any legislator: NO

Drafter: dykmapj

May Contact: Michael Birkley  
255-7473

Alt. Drafters:

Subject: Constitutional Amendments  
Tax - corp. inc. and fran.  
Tax - corp. inc. and fran.  
Tax - individual income  
Tax - property  
Tax - sales  
Munis - miscellaneous  
Tax - recycling surcharge  
Counties  
Munis - miscellaneous

Extra Copies: JK  
MES  
RAC

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Authorize counties, cities, villages and towns to levy sales and income taxes and freeze their property tax levies

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	dykmapj 02/14/2000	gilfokm 02/14/2000	jfrantze 02/14/2000	_____	lrb_docadmin 02/14/2000	lrb_docadmin 03/08/2000	

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Vers.      Drafted      Reviewed      Typed      Proofed      Submitted      Jacketed      Required

FE Sent For:

<END>

State Representative

# TERRY MUSSER

92<sup>nd</sup> Assembly District



Chair, Assembly Committee on Veterans and Military Affairs

**TO:** Peter Dykman  
Legislative Reference Bureau

**DATE:** February 9, 2000

## SUBJECT: Drafting Request

Please draft a Joint Resolution to amend the State Constitution to:

1. Authorize county and ~~municipal~~ <sup>city village town</sup> governments to:
  - A. Tax sales of goods and services that are subject to state sales and use tax occurring in their jurisdiction ; and/or,
  - B. Tax the state net taxable income of the persons <sup>Individuals</sup> residing in their jurisdiction.
2. Require a 2/3 majority vote of the governing body of the jurisdiction to levy a sales or income tax or increase its sales or income tax rate. <sup>present & voting</sup>
3. Require the state to collect the local sales and income tax and return the full amount collected to the originating jurisdiction. <sup>not just rate</sup>
4. Freeze county and municipal property tax levies at the amount levied in the year preceding adoption of the amendment. <sup>absolute dollar amount received from property tax can't be increased</sup>

*not on 1st draft*

This is an urgent request.

Please contact Michael Birkley at 255-7473 with any questions regarding the content or intent of the resolution, amendment or ballot question.

Thank-you.

*Wis Prop Taxpayers Inc*

Madison Office: PO Box 8953, Madison, WI 53708 608-266-7461 Toll Free: 1-888-534-0092  
Fax: 608-282-3692 E-Mail: rep.musser@legis.state.wi.us

District Office: W13550 Murray Road, Black River Falls, WI 54615 608-488-2955



## 1999 ASSEMBLY JOINT RESOLUTION

To Len  
2/14

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).

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

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

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

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

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

(2) (a) A governmental unit may not levy property taxes in any year in excess 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.



**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 02/14/2000

To: Representative Musser

Relating to LRB drafting number: LRB-4510

**Topic**

Authorize counties, cities, villages and towns to levy sales and income taxes and freeze their property tax levies

**Subject(s)**

Constitutional Amendments, Tax - corp. inc. and fran., Tax - corp. inc. and fran., Tax - individual income, Tax - property, Tax - sales, Munis - miscellaneous, Tax - recycling surcharge, Counties, Munis - miscellaneous

1. **JACKET** the draft for introduction Terry M Musser  
in the **Senate** \_\_\_\_ or the **Assembly** \_\_\_\_ (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached \_\_\_\_\_.  
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_.  
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Attorney Peter J. Dykman, General Counsel  
Telephone: (608) 266-7098