



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2009 Assembly Bill 504

**Assembly Substitute
Amendment 1**

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Under 2009 Assembly Bill 504, Milwaukee County may adopt an ordinance to levy an additional sales and use tax at a rate up to .05% in order to pay for parks, recreation, and culture. The taxes must be imposed in their entirety. If Milwaukee County imposes the taxes under this subsection, it may not levy property taxes to pay for parks, recreation, and culture.

Under the bill, the ordinance adopted shall be effective on January 1, April 1, July 1, or October 1 and a certified copy of the ordinance must be delivered to the Department of Revenue (DOR) no later than 120 days prior to its effective date. Similarly, the repeal of the ordinance shall be effective on December 31 and a certified copy of a repeal ordinance shall be delivered to DOR at least 120 days before the effective date of the repeal.

Assembly Substitute Amendment 1

Assembly Substitute Amendment 1 specifies that the county ordinance to levy an additional sales and use tax must be at the rate of 0.1, 0.2, 0.3, 0.4, or 0.5 percent. The substitute amendment also specifies that the ordinance must take effect on January 1.

Under Assembly Bill 504, the tax must be used to pay for “parks, recreation, and culture.” The substitute amendment specifies that the tax must be used for:

[T]he county parks and recreation department, Milwaukee County Zoo, Milwaukee Public Museum, Milwaukee County Historical Society, War Memorial Center, Charles Allis Art Museum, Villa Terrace Decorative Arts Museum, Marcus Center for the Performing Arts, Fund for the Arts Program, VISIT Milwaukee, and federated library system.

Additionally, the substitute amendment directs the Legislative Audit Bureau (LAB) to conduct an annual financial audit of the tax. If the LAB determines that Milwaukee County has spent more than \$50,000 of aggregate revenue from the tax for purposes other than those specified above, the LAB shall notify DOR of this determination within five days. If DOR receives notice, it shall withhold remittance of the sales tax revenue for up to 180 days. The substitute amendment permits the county to provide proof that the county has taken corrective action through a budget amendment to replace sales tax revenue that was not used for authorized purposes. If DOR accepts the proof provided by the county, the department shall remit to the county the sales tax revenue withheld.

Legislative History

Representatives Sinicki and Richards offered Assembly Substitute Amendment 1. On January 12, 2009, the Assembly Committee on Ways and Means recommended adoption of Assembly Substitute Amendment 1 and recommended passage of Assembly Bill 519, as amended, by votes of Ayes, 6; Noes, 4.

SG:ksm