

2019 DRAFTING REQUEST**Bill**

For: **Evan Goyke (608) 266-0645** Drafter: **elunder**
 By: **Ryan** Secondary Drafters:
 Date: **5/20/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email: **Rep.Goyke@legis.wisconsin.gov**
 Carbon copy (CC) to: **erika.lunder@legis.wisconsin.gov**
joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Authorizing Milwaukee County to increase local option sales tax rate

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	elunder 6/10/2019	csicilia 6/11/2019			
/P1	elunder 9/5/2019	csicilia 9/5/2019	mbarman 6/11/2019		Local
/P2	elunder 9/9/2019	csicilia 9/9/2019	dwalker 9/5/2019		Local
/P3	elunder 9/10/2019	csicilia 9/10/2019	mbarman 9/9/2019		Local
/P4			dwalker		Local

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1			lparisi 9/10/2019	lparisi 9/10/2019	Local

FE Sent For: *At Intro*

<END>

Ryan (Rep. Goyke)

The purpose of the legislation is to provide enabling legislation, which authorizes Milwaukee County to issue a binding local referendum on whether or not to raise Milwaukee County's local option sales tax rate by one percent.

The binding local referendum would be initiated through a Milwaukee County Board resolution.

Property Tax Relief

25 percent of the receipts generated as a result of the local option sales tax would be dedicated to property tax relief.

- 50 percent of the property tax relief would be dedicated to Milwaukee County.
- 50 percent of the property tax relief would be dedicated to municipalities within Milwaukee County, with a proportionate share allocated to municipalities according to population size.

Operating and Capital Support

75 percent of the receipts generated as a result of the local option sales tax would be dedicated to operating and capital support.

- 50 percent of the operating and capital support would be dedicated to Milwaukee County for operational and capital support.
- 50 percent of the operating and capital would be dedicated to municipalities for operational and capital support, with a proportionate share allocated to municipalities according to population size.

5/30 - call w/ Ryan

1% rate is in addition to existing .5% rate

25%/75% split applies only to new revenue



9/4 Rep Goyke

-3312

add hold harmless provision for municipalities
under ERP provision



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-3312/P1
EKL:cjs

emp2

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

IN: 9/5

DUE: 9/5

Stat comp

Loer Cat

1 **AN ACT to renumber and amend 77.70; to amend 77.76 (3); and to create**
2 **77.70 (2) of the statutes; relating to: additional local sales and use tax for**
3 **Milwaukee County.**

Analysis by the Legislative Reference Bureau

Under current law, a county may impose a sales and use tax at the rate of 0.5 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The tax may be imposed only for the purpose of reducing the property tax levy.

Under this bill, with the approval of the electors in the county at a referendum, Milwaukee County may impose an additional sales and use tax at the rate of 1 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The bill requires that the county use 37.5 percent of the revenue from the additional tax for its operational and capital expenses and distribute 37.5 percent of the revenue to the cities, villages, and towns in the county for their operational and capital expenses. The county distributes the revenue to the cities, villages, and towns based on their population. The bill also requires that 12.5 percent of the tax revenue be used to provide county property tax relief and that the remaining 12.5 percent be used to provide municipal property tax relief.

INS-A



For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 77.70 of the statutes is renumbered 77.70 (1) and amended to read:

2 77.70 (1) Any county ~~desiring to~~ may impose county sales and use taxes under
3 this subchapter ~~may do so~~ by the adoption of an ordinance, stating its purpose and
4 referring to this subchapter. The rate of the tax imposed under this section
5 subsection is 0.5 percent of the sales price or purchase price. Except as provided in
6 sub. (2) (b) and s. 66.0621 (3m), the county sales and use taxes may be imposed only
7 for the purpose of directly reducing the property tax levy and only in their entirety
8 as provided in this subchapter. That ordinance shall be effective on ~~the first day of~~
9 ~~January, the first day of April, the first day of July or the first day of October~~ January
10 1, April 1, July 1, or October 1. A certified copy of that ordinance shall be delivered
11 to the secretary of revenue at least 120 days prior to its effective date. The repeal
12 of any such ordinance shall be effective on December 31. A certified copy of a repeal
13 ordinance shall be delivered to the secretary of revenue at least 120 days before the
14 effective date of the repeal. Except as provided under s. 77.60 (9), the department
15 of revenue may not issue any assessment ~~nor~~ or act on any claim for a refund or any
16 claim for an adjustment under s. 77.585 after the end of the calendar year that is 4
17 years after the year in which the county has enacted a repeal ordinance under this
18 section subsection.

19 **SECTION 2.** 77.70 (2) of the statutes is created to read:

20 77.70 (2) (a) In addition to the taxes imposed under sub. (1), Milwaukee County
21 may adopt an ordinance to impose sales and use taxes under this subchapter at the

1 rate of 1 percent of the sales price or purchase price. The ordinance may not become
2 effective until approved by the electors of the county at a referendum at the spring
3 election or general election. An ordinance adopted under this paragraph shall be
4 effective on January 1, April 1, July 1, or October 1, and a certified copy of the
5 ordinance shall be delivered to the secretary of revenue at least 120 days prior to its
6 effective date. The repeal of an ordinance shall be effective on December 31, and a
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9 department of revenue may not issue an assessment or act on a claim for a refund
10 or for an adjustment under s. 77.585 after the end of the calendar year that is 4 years
11 after the year in which the county has enacted a repeal ordinance under this
12 paragraph.

13 (b) The revenue from the taxes imposed by Milwaukee County under par. (a)
14 shall be used as follows:

15 1. The county shall use 37.5 percent of the revenue to pay the county's
16 operational and capital expenses.

17 2. The county shall distribute 37.5 percent of the revenue to the cities, villages,
18 and towns in the county, and the cities, villages, and towns shall use the revenue to
19 pay their operational and capital expenses. The county shall distribute to each city,
20 village, and town an amount that bears the same ratio to the total amount
21 distributed under this subdivision as the ratio of the population of the city, village,
22 or town to the county's population, using the population estimates under s. 16.96.

23 3. The county shall use 12.5 percent of the revenue for the purpose of directly
24 reducing the county's property tax levy.

1 4. The county, in consultation with the cities, villages, and towns in the county,
2 shall use 12.5 percent of the revenue for the purpose of directly reducing municipal
3 property tax levies. A county may distribute any portion of the revenue under this
4 subdivision to any city, village, or town in the county.

 ****NOTE: Is subd. 4. consistent with your intent? Do you want to specify how to
distribute the revenue to reduce municipal property tax levies?

5 **SECTION 3.** 77.76 (3) of the statutes is amended to read:

6 **77.76 (3)** From the appropriation under s. 20.835 (4) (g) the department of
7 revenue shall distribute 98.25 percent of the county taxes reported for each enacting
8 county, minus the county portion of the retailers' discounts, to the county and shall
9 indicate the taxes reported by each taxpayer, no later than 75 days following the last
10 day of the calendar quarter in which such amounts were reported. In this subsection,
11 the "county portion of the retailers' discount" is the amount determined by
12 multiplying the total retailers' discount by a fraction the numerator of which is the
13 gross county sales and use taxes payable and the denominator of which is the sum
14 of the gross state and county sales and use taxes payable. The county taxes
15 distributed shall be increased or decreased to reflect subsequent refunds, audit
16 adjustments, and all other adjustments of the county taxes previously distributed.
17 Interest paid on refunds of county sales and use taxes shall be paid from the
18 appropriation under s. 20.835 (4) (g) at the rate paid by this state under s. 77.60 (1)
19 (a). The Except as provided in s. 77.70 (2) (b), a county may retain the amount it
20 receives or it may distribute all or a portion of the amount it receives to the towns,
21 villages, cities, and school districts in the county. After receiving notice from the
22 department of revenue, a county shall reimburse the department for the amount by
23 which any refunds, including interest, of the county's sales and use taxes that the

1 department pays or allows in a reporting period exceeds the amount of the county's
2 sales and use taxes otherwise payable to the county under this subsection for the
3 same or subsequent reporting period. Any county receiving a report under this
4 subsection is subject to the duties of confidentiality to which the department of
5 revenue is subject under s. 77.61 (5) and (6).

INS 5-6 →
6

(END)

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3312/P1ins
EKL:cjs

INS

INS-A

Under the bill, the expenditure by a municipality of the distributed tax revenue will not affect the municipality's payment under the expenditure restraint program.

INS 5-6

SECTION 1. 79.05 (2) (c) of the statutes is amended to read:

79.05 (2) (c) Its municipal budget; exclusive of principal and interest on long-term debt and exclusive of revenue sharing payments under s. 66.0305, recycling fee payments under s. 289.645, expenditures of grant payments under s. 16.297 (1m), unreimbursed expenses related to an emergency declared under s. 323.10, expenditures from moneys received pursuant to P.L. 111-5, expenditures from moneys received pursuant to s. 77.70 (2) (b) 2. or 4., and expenditures made pursuant to a purchasing agreement with a school district whereby the municipality makes purchases on behalf of the school district; for the year of the statement under s. 79.015 increased over its municipal budget as adjusted under sub. (6); exclusive of principal and interest on long-term debt and exclusive of revenue sharing payments under s. 66.0305, recycling fee payments under s. 289.645, expenditures of grant payments under s. 16.297 (1m), unreimbursed expenses related to an emergency declared under s. 323.10, expenditures from moneys received pursuant to P.L. 111-5, expenditures from moneys received pursuant to s. 77.70 (2) (b) 2. or 4., and expenditures made pursuant to a purchasing agreement with a school district whereby the municipality makes purchases on behalf of the school district; for the year before that year by less than the sum of the inflation factor and the valuation factor, rounded to the nearest 0.10 percent.

History: 1989 a. 336; 1991 a. 39, 61; 1993 a. 16; 1999 a. 9; 1999 a. 150 s. 672; 2001 a. 16; 2009 a. 11, 28; 2011 a. 32, 106, 258; 2013 a. 20, 165; 2015 a. 55; 2017 a. 58, 59.

Cross-reference: See also ch. Tax 19, Wis. adm. code.



9/9 - Rep. Goyke

- change distribution

first 25% for property tax relief

- split evenly

- \$10,000,000 for public health infrastructure

- remaining for operational & capital exp.

- split evenly



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-3312/P2
EKL:cjs

P3

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

IN: 1/9

ST
5/20 comp

Co Cat

- 1 AN ACT *to renumber and amend* 77.70; *to amend* 77.76 (3) and 79.05 (2) (c);
- 2 and *to create* 77.70 (2) of the statutes; **relating to:** additional local sales and
- 3 use tax for Milwaukee County.

Analysis by the Legislative Reference Bureau

Under current law, a county may impose a sales and use tax at the rate of 0.5 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The tax may be imposed only for the purpose of reducing the property tax levy.

Under this bill, with the approval of the electors in the county at a referendum, Milwaukee County may impose an additional sales and use tax at the rate of 1 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The bill requires that the county use 37.5 percent of the revenue from the additional tax for its operational and capital expenses and distribute 37.5 percent of the revenue to the cities, villages, and towns in the county for their operational and capital expenses. The county distributes the revenue to the cities, villages, and towns based on their population. The bill also requires that 12.5 percent of the tax revenue be used to provide county property tax relief and that the remaining 12.5 percent be used to provide municipal property tax relief. Under the bill, the expenditure by a municipality of the distributed tax revenue will not affect the municipality's payment under the expenditure restraint program.

INS-K

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12 of any such ordinance shall be effective on December 31. A certified copy of a repeal
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17 years after the year in which the county has enacted a repeal ordinance under this
18 ~~section~~ subsection.

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21 distributed under this subdivision as the ratio of the population of the city, village,
22 or town to the county's population, using the population estimates under s. 16.96.

23 ①. ~~no 3~~. The county shall use 12.5 percent of the revenue for the purpose of directly
24 reducing the county's property tax levy. X

1 2. re 4. The county, in consultation with the cities, villages, and towns in the county, X
2 shall use 12.5 percent of the revenue for the purpose of directly reducing municipal
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4 subdivision to any city, village, or town in the county.

****NOTE: Is subd. 4. consistent with your intent? Do you want to specify how to
distribute the revenue to reduce municipal property tax levies?

INS 4-5 →
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7 revenue shall distribute 98.25 percent of the county taxes reported for each enacting
8 county, minus the county portion of the retailers' discounts, to the county and shall
9 indicate the taxes reported by each taxpayer, no later than 75 days following the last
10 day of the calendar quarter in which such amounts were reported. In this subsection,
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13 gross county sales and use taxes payable and the denominator of which is the sum
14 of the gross state and county sales and use taxes payable. The county taxes
15 distributed shall be increased or decreased to reflect subsequent refunds, audit
16 adjustments, and all other adjustments of the county taxes previously distributed.
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18 appropriation under s. 20.835 (4) (g) at the rate paid by this state under s. 77.60 (1)
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23 which any refunds, including interest, of the county's sales and use taxes that the

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6 SECTION 4. 79.05 (2) (c) of the statutes is amended to read:

7 79.05 (2) (c) Its municipal budget; exclusive of principal and interest on
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9 recycling fee payments under s. 289.645, expenditures of grant payments under s.
10 16.297 (1m), unreimbursed expenses related to an emergency declared under s.
11 323.10, expenditures from moneys received pursuant to P.L. 111-5, expenditures
12 from moneys received pursuant to s. 77.70 (2) (b) 2. ^{or 10} 4., and expenditures made
13 pursuant to a purchasing agreement with a school district whereby the municipality
14 makes purchases on behalf of the school district; for the year of the statement under
15 s. 79.015 increased over its municipal budget as adjusted under sub. (6); exclusive
16 of principal and interest on long-term debt and exclusive of revenue sharing
17 payments under s. 66.0305, recycling fee payments under s. 289.645, expenditures
18 of grant payments under s. 16.297 (1m), unreimbursed expenses related to an
19 emergency declared under s. 323.10, expenditures from moneys received pursuant
20 to P.L. 111-5, expenditures from moneys received pursuant to s. 77.70 (2) (b) 2. ^{or 10} 4.,
21 and expenditures made pursuant to a purchasing agreement with a school district
22 whereby the municipality makes purchases on behalf of the school district; for the
23 year before that year by less than the sum of the inflation factor and the valuation
24 factor, rounded to the nearest 0.10 percent.

25 (END)

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3312/P2ins
EKL:cjs

1 INS-A

The bill requires that 25 percent of the revenue from the additional tax be used to provide property tax relief, divided evenly between county and municipal property tax relief. For the remaining 75 percent of tax revenue, the bill requires that \$10,000,000 be used to make improvements to infrastructure to benefit public health and that the rest be used for county and municipal expenses. Specifically, the bill requires that the county use 50 percent of the remaining tax revenue for its operational and capital expenses and distribute the other half to the cities, villages, and towns in the county for their operational and capital expenses, with the distribution based on their population. ✓

2 INS 4-5 ✓

3 3. From the revenue remaining after the application of subds. 1. and 2., the
4 county shall use \$10,000,000 to make improvements to infrastructure to benefit
5 public health and may distribute any portion of this amount to any city, village, or
6 town in the county to be used for that purpose. ✓ ✓ ✓

7 4. From the revenue remaining after the application of subds. 1. to 3., the
8 county shall use 50 percent to pay the county's operational and capital expenses and
9 shall distribute 50 percent to the cities, villages, and towns in the county, and the
10 cities, villages, and towns shall use the revenue to pay their operational and capital
11 expenses. The county shall distribute to each city, village, and town an amount that
12 bears the same ratio to the total amount distributed under this subdivision as the
13 ratio of the population of the city, village, or town to the county's population, using
14 the population estimates under s. 16.96. ✓ ✓ ✓



9/10 Rep. Goyke

- limit to residential prop. tax relief (UL)
- keep 12.5% for county prop. tax relief + 12.5% for muni property tax relief, but add requirement county + munis use revenue to provide credit to resid. prop. tax owners for prop. tax relief (UL)
- add distribution for muni prop. tax relief is based on population
- "7% for public health infrastructure projects" - use this lang.
- add statement that revenue + expenditures won't impact any existing local gov't funding formula - non stat



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-3312/P3 (P4)
EKL:cjs
Stays

ASAP

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

GA ✓
JW ✓

Gen Cat

- 1 **AN ACT to renumber and amend 77.70; to amend 77.76 (3) and 79.05 (2) (c);**
- 2 **and to create 77.70 (2) of the statutes; relating to: additional local sales and**
- 3 **use tax for Milwaukee County.**

Analysis by the Legislative Reference Bureau

Under current law, a county may impose a sales and use tax at the rate of 0.5 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The tax may be imposed only for the purpose of reducing the property tax levy.

Under this bill, with the approval of the electors in the county at a referendum, Milwaukee County may impose an additional sales and use tax at the rate of 1 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The bill requires that 25 percent of the revenue from the additional tax be used to provide property tax relief, divided evenly between county and municipal property tax relief. For the remaining 75 percent of tax revenue, the bill requires that \$10,000,000 be used to make improvements to infrastructure to benefit public health and that the rest be used for county and municipal expenses. Specifically, the bill requires that the county use 50 percent of the remaining tax revenue for its operational and capital expenses and distribute the other half to the cities, villages, and towns in the county for their operational and capital expenses, with the distribution based on their population. Under the bill, the expenditure by a municipality of the distributed tax revenue will not affect the municipality's payment under the expenditure restraint program.

residential

INS-A1

INS-A2

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The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

INS 2-1 →
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22 county shall use \$10,000,000 to make improvements to infrastructure to benefit
23 public health and may distribute any portion of this amount to any city, village, or
24 town in the county to be used for that purpose.

INS 3-24 →

1 4. From the revenue remaining after the application of subds. 1. to 3., the
2 county shall use 50 percent to pay the county's operational and capital expenses and
3 shall distribute 50 percent to the cities, villages, and towns in the county, and the
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2 which any refunds, including interest, of the county's sales and use taxes that the
3 department pays or allows in a reporting period exceeds the amount of the county's
4 sales and use taxes otherwise payable to the county under this subsection for the
5 same or subsequent reporting period. Any county receiving a report under this
6 subsection is subject to the duties of confidentiality to which the department of
7 revenue is subject under s. 77.61 (5) and (6).

8 **SECTION 4.** 79.05 (2) (c) of the statutes is amended to read:

9 79.05 (2) (c) Its municipal budget; exclusive of principal and interest on
10 long-term debt and exclusive of revenue sharing payments under s. 66.0305,
11 recycling fee payments under s. 289.645, expenditures of grant payments under s.
12 16.297 (1m), unreimbursed expenses related to an emergency declared under s.
13 323.10, expenditures from moneys received pursuant to P.L. 111-5, expenditures
14 from moneys received pursuant to s. 77.70 (2) (b) 2. to 4., and expenditures made
15 pursuant to a purchasing agreement with a school district whereby the municipality
16 makes purchases on behalf of the school district; for the year of the statement under
17 s. 79.015 increased over its municipal budget as adjusted under sub. (6); exclusive
18 of principal and interest on long-term debt and exclusive of revenue sharing
19 payments under s. 66.0305, recycling fee payments under s. 289.645, expenditures
20 of grant payments under s. 16.297 (1m), unreimbursed expenses related to an
21 emergency declared under s. 323.10, expenditures from moneys received pursuant
22 to P.L. 111-5, expenditures from moneys received pursuant to s. 77.70 (2) (b) 2. to 4.,
23 and expenditures made pursuant to a purchasing agreement with a school district
24 whereby the municipality makes purchases on behalf of the school district; for the

1 year before that year by less than the sum of the inflation factor and the valuation
2 factor, rounded to the nearest 0.10 percent.

INS 6-3 →
3

(END)

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3312/P3ins
EKL:cjs

1 INS-A1

, and that 7 percent of the revenue be used for public health infrastructure projects. For the remaining 68 percent of tax revenue, the bill requires that the county use half for its operational and capital expenses and distribute the other half to the cities, villages, and towns in the county for their operational and capital expenses. Distributions of revenue to the cities, villages, and towns are based on their population. ✓

2 INS-A2

The bill also provides that the revenue and expenditures will not impact any local government funding formula.

3 INS 2-1

4 **SECTION 1.** 74.09 (3) (b) 6p. of the statutes is created to read:

5 74.09 (3) (b) 6p. The amount of credits under s. 77.70 (2) (b) 1. and 2. allocable
6 to the property for the previous year and the current year, and the percentage change
7 between those years. ✓ ✓

8 INS 3-24 ← INS X ✓

9 1. The county shall use 12.5 percent of the revenue to provide a credit against
10 the property tax liability of each residential property owner. ✓ in the county


11 2. The county shall distribute 12.5 percent of the revenue to the cities, villages,
12 and towns in the county, and the cities, villages, and towns shall use the revenue to
13 provide a credit against the property tax liability of each residential property owner
14 in the city, village, or town. The county shall distribute to each city, village, and town
15 an amount that bears the same ratio to the total amount distributed under this
16 subdivision as the ratio of the population of the city, village, or town to the county's
17 population, using the population estimates under s. 16.96. ✓

18 3. Seven percent of the revenue shall be used for public health infrastructure
19 projects. ✓

1 INS 6-3

2 **SECTION 2. Nonstatutory provisions.** 

3 (1) Revenue collected from a sales and use tax imposed under s. 77.70 (2) (a)
4 and expenditures made pursuant to s. 77.70 (2) (b) shall have no effect on any local
5 government funding formula.



INS X

74.09(3)(b)7.

Hand 6p.

7. The amount obtained by subtracting the amounts under subds. 6. and 6m. from the amount under subd. 5., for the previous year and the current year, and the percentage change in that amount between those years.

Lunder, Erika

From: Knocke, Ryan
Sent: Tuesday, September 10, 2019 3:37 PM
To: Lunder, Erika
Cc: Fox, Lacy
Subject: Rep. Goyke and Sen. Johnson - Draft review: LRB -3312/P4
Attachments: 19-3312/P4.pdf

Importance: High

Erika-

I hope you are well and thank you again for all of your help.

Please have this draft jacketed and turned into a /1. Hoping to get an electronic pdf quickly as this will be circulated this afternoon.

We also give permission to have companion bills drafted with Sen. Johnson. Lacy and Christian are the staff POC's in that office.

Thank you again!

- Ryan

Ryan Knocke
Legislative Aide
Office of State Representative Evan Goyke
Telephone: (608) 266-0645

From: LRB.Legal <lrblegal@legis.wisconsin.gov>
Sent: Tuesday, September 10, 2019 2:45 PM
To: Rep.Goyke <Rep.Goyke@legis.wisconsin.gov>
Subject: Draft review: LRB -3312/P4

Following is the PDF version of draft LRB -3312/P4.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-3312/P4
EKL:cjs

11

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*NO
Changes*

1 **AN ACT** *to renumber and amend* 77.70; *to amend* 74.09 (3) (b) 7., 77.76 (3) and
2 79.05 (2) (c); and *to create* 74.09 (3) (b) 6p. and 77.70 (2) of the statutes;
3 **relating to:** additional local sales and use tax for Milwaukee County.

Analysis by the Legislative Reference Bureau

Under current law, a county may impose a sales and use tax at the rate of 0.5 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The tax may be imposed only for the purpose of reducing the property tax levy.

Under this bill, with the approval of the electors in the county at a referendum, Milwaukee County may impose an additional sales and use tax at the rate of 1 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The bill requires that 25 percent of the revenue from the additional tax be used to provide residential property tax relief, divided evenly between county and municipal property tax relief, and that 7 percent of the revenue be used for public health infrastructure projects. For the remaining 68 percent of tax revenue, the bill requires that the county use half for its operational and capital expenses and distribute the other half to the cities, villages, and towns in the county for their operational and capital expenses. Distributions of revenue to the cities, villages, and towns are based on their population. Under the bill, the expenditure by a municipality of the distributed tax revenue will not affect the municipality's payment under the expenditure restraint program. The bill also provides that the revenue and expenditures will not impact any local government funding formula.

1 s. 79.015 increased over its municipal budget as adjusted under sub. (6); exclusive
2 of principal and interest on long-term debt and exclusive of revenue sharing
3 payments under s. 66.0305, recycling fee payments under s. 289.645, expenditures
4 of grant payments under s. 16.297 (1m), unreimbursed expenses related to an
5 emergency declared under s. 323.10, expenditures from moneys received pursuant
6 to P.L. 111-5, expenditures from moneys received pursuant to s. 77.70 (2) (b) 2. to 4.,
7 and expenditures made pursuant to a purchasing agreement with a school district
8 whereby the municipality makes purchases on behalf of the school district; for the
9 year before that year by less than the sum of the inflation factor and the valuation
10 factor, rounded to the nearest 0.10 percent.

11 **SECTION 7. Nonstatutory provisions.**

12 (1) Revenue collected from a sales and use tax imposed under s. 77.70 (2) (a)
13 and expenditures made pursuant to s. 77.70 (2) (b) shall have no effect on any local
14 government funding formula.

15 (END)