

**REPORT
STATE OF WISCONSIN
JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS
2025 SENATE BILL 185**

[Introduced by Senator Jacque and cosponsored by Representative Kitchens]

This report relates to 2025 Senate Bill 185, regarding a property tax exemption for nonprofit theaters.

GENERAL NATURE OF PROPOSAL

Current law includes a property tax exemption for property owned or leased by a nonprofit organization that has one or more outdoor theaters for performing theater arts which have a total seating capacity of not less than 400 persons. The organization must have been granted its federal tax-exempt status, as specified in the bill, no later than July 31, 1969.

The bill modifies the exemption by removing the requirement that the theater or theaters be located outdoors and by lowering the required seating capacity from 400 to 240 persons. In addition, the organization must have been granted its federal tax-exempt status, as specified in the bill, no later than October 1, 1990.

LEGALITY INVOLVED

There are no issues of legality impacting the tax-exemption-related provision in the bill.

FISCAL EFFECT

The Department of Revenue (DOR) indicates that the bill would have no fiscal effect on the state. With regard to a local fiscal effect, DOR indicates that a theater in Door County, which had an assessed value of \$4,359,600 and net property taxes of \$35,552 in 2024, could qualify for a property tax exemption under the bill. The exempted property value would shift to other taxable properties, which DOR estimates would result in a property tax increase of \$14 (\$3,883 versus \$3,869) on a \$533,000 median-value home in that area.

PUBLIC POLICY INVOLVED

The Joint Survey Committee on Tax Exemptions finds that the tax-exemption-related provision in the bill is good public policy on a vote of Ayes, 9; Noes, 0.