

AGAINST COUNTY SALES TAX

by Nadine Stoner, Pres.,
Wis. Property Owners League, Beloit, WI
Beloit Daily News, Dec. 8, 1998

At the Oct. 19 meeting of the Beloit City Council, we went on record in opposition to the city's resolution to add a county sales tax.

For the city manager and councilors to claim at the County Board meeting to be speaking for all 36,000 Beloit residents as favoring a county sales tax is a big exaggeration.

That the sales tax is a most regressive tax is well documented. Furthermore, under the guise of "property tax relief," what it really amounts to is an extra tax. While any county enacting a sales tax must direct the proceeds toward property tax relief, there is no cap on spending. So levies can actually escalate -- as they have in some counties which adopted sales taxes.

Since Beloiters would each have to spend \$14,552 on goods (excluding groceries) and services in order to get a \$72.76 tax savings on a \$50,000 home, this extra sales tax rather clearly will be borne by residents. It is naive to think that I-90 passers-by who make a quick stop at interchange restaurants are going to bear the brunt of the county sales tax burden.

It is very unlikely that the anticipated property tax relief would be passed on by landlords to tenants. When was the last time you heard of a landlord cutting the rent? And why should we be giving sales tax funded relief to absentee landlords, who do pay property taxes?

Property taxes can be written off on one's income tax return as a deduction. Sales taxes cannot.

Insofar as the argument that the slightly lower property taxes because of a county sales tax relief will attract developers, let's look at the other side of the coin. We Beloiters through our property taxes paid for bonding indebtedness in the 1970s to initially extend infrastructure in the Industrial Park (which took a decade to recoup with land sales). We advanced funds for infrastructure in subdivisions, with deferred repayments, in the early 1990s to encourage housing developments. We taxpayers funded the Milwaukee road median cut for Morgan Square. Recovering the \$2.3 million of the city's Mall indebtedness could take up to 23 years because it is tied up in a Tax Increment Finance district.

The lower property tax levy that city management is

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bragging about is levied on Beloit assessments that have been raised three times in as many years.

The city keeps adding new fees and raising old ones.

We don't want an extra county sales tax. Let our merchants enjoy the same advantage as the 22 other counties that don't have a sales tax. Money spent on taxes cannot be spent on goods and services.