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Proposed restrictions on billboard taxes a danger to communities

Legislative proposal would hand billboard companies a big tax break

During a time of severe budget crises for local governments, the worst thing the Legislature could do is create even more exemptions from the local property tax, thereby depriving counties, municipalities and schools of vitally needed revenue.

Yet that's exactly what would happen if legislation is passed to change the way advertising billboards are assessed for property tax purposes.

Assembly Bill 215, now before the Assembly's Committee on Jobs, the Economy and Small Business would handcuff local government assessors who have been trying to properly assess the taxable value of billboards. AB215 is tailor-made for the billboard industry rather than for the local governments which depend on property tax revenue to fund essential services.

The proposed legislation would prohibit an assessor from using the income stream a billboard produces as an element in deciding the taxable value of the billboard. The bill would prohibit the value of billboard permits from being subject to a property tax.

In the City of Milwaukee alone, these changes would slash property tax revenues by at least \$1.3 million. That's a considerable sum of money that could be used for public safety, public health, and other vital public infrastructure.

If the billboard firms don't pay the taxes, then other property owners will have to make up the difference. There is no good basis for a law that would make homeowners pay higher property taxes so billboard owners can pay lower taxes.

A report last year by the Institute for Wisconsin's Future documented the proliferation of tax breaks, tax exemptions and tax credits in state tax law. This is a process that does not serve the public. There is no reason to add the billboard industry to the long list of those with favored tax status.

We urge legislators to reject AB215.

The Institute for Wisconsin's Future is a non-profit research and public education organization based in Glendale, a suburb of Milwaukee. Its work is funded primarily by national philanthropies.

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