

# City of Waukesha

Resolution No. \_\_\_\_\_

## Dark Store Resolution

**Whereas**, homeowners in Wisconsin pay nearly 70% of the total statewide property tax levy; and

**Whereas**, the disproportionate burden of property taxes on homeowners will worsen unless legislators take action to close loopholes in property tax law that some national chain stores use to gain substantial reductions in property taxes; and

**Whereas**, lawsuits in Wisconsin are forcing local governments to lower the market value of thriving national chain stores, shifting the tax burden to local businesses, apartment owners and homeowners; and

**Whereas**, some national chain stores in Wisconsin have argued in communities across the state that the assessed value of their property for property tax purposes should be only half of its actual value on the open market; and

**Whereas**, some national chain stores are using what is known as a “Dark Store” strategy to argue that the assessed value of a new, thriving store should be based on comparing their buildings to vacant or abandoned stores from a different market segment; and

**Whereas**, since 2015, the City of Waukesha has had 28 cases by entities using tax avoidance strategies; and

**Whereas**, since 2015, the City of Waukesha has lost \$773,452 in tax dollars through these tax avoidance strategies with the full tax loss at \$1,484,312; and

**Whereas**, legislation to close these tax loopholes has been drafted, introduced and subject to public hearings by the Wisconsin legislature; and

**Whereas**, this legislation has sufficient bipartisan support in both houses of the Wisconsin Legislature to pass with wide margins; and

**Whereas**, there is only one more legislative session day remaining in the current legislative calendar;

**Now, therefore be it resolved**, that the Common Council of the City of Waukesha does hereby urge the Governor and the Legislature to protect local businesses, apartment owners and homeowners from tax shifts by passing legislation to close the Dark Store and Walgreens property tax loopholes.

**Be it further resolved**, that the Common Council directs the Clerk to immediately send a copy of this resolution to Governor Scott Walker and the City of Waukesha’s legislative delegation.

Adopted this 22nd day of February 2018

Signed:

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Shawn N. Reilly, Mayor

Attest:

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Gina Kozlik, Clerk/Treasurer