



For Immediate Release
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Rep. Hintz Votes to Close Newark Tax Loophole

Bill prevents massive tax shift residential property taxpayers

OSHKOSH— Representative Gordon Hintz (D-Oshkosh) joined a bi-partisan Assembly vote of 94-0 in passing SB 122, known as the Newark Bill, closing a property tax loophole that had the potential to cost Wisconsin property taxpayers as much as \$2 billion. SB122 unanimously passed the state Senate earlier this month and is expected to be signed by Governor Doyle.

“I’m very pleased the Assembly voted to close this loophole and prevent a massive property tax shift to individual and commercial taxpayers,” said Rep. Hintz, a co-sponsor of SB 122. **“From my first day in office, closing this loophole has been a priority and I am pleased the Assembly took action in time to protect taxpayers next year.”**

The bill is a response to a 2004 Tax Appeals Commission ruling that would extend a property tax exemption for treatment plant and pollution abatement equipment to property of a paper board manufacturing facility owned by the Newark Group, Inc. According to the Legislative Fiscal Bureau, eight manufacturers, in addition to Paperboard Corporation, have been granted exemptions based on the reasoning in the Newark decision. The exempt property totals \$34.3 million in value, and an estimated \$700,000 in taxes are being shifted from the exempt property to other taxable property each year, based on current tax rates. SB 122 requires the Department of Revenue (DOR) to reevaluate the currently-exempt property at the nine sites to determine if the properties' tax status has changed. If the property becomes taxable, DOR would be required to determine its taxable value. SB 122 would apply retroactively to assessments as of January 1, 2007.

“Few things we do in the legislature will impact property taxes as much as not closing this loophole would have. We need to work to support industry and protect good paying jobs in Wisconsin, but not at the expense of a massive property tax shift to individuals and small businesses who are already shouldering a large amount of the tax burden in Wisconsin.”

“I would like to thank Speaker Huebsch for bringing SB 122 to the floor, and Senator Hansen, Senator Cowles, and Representative Kaufert for their leadership on this bill. I also appreciate the efforts of Winnebago County Executive Mark Harris for building support and highlighting the urgency of this issue statewide.”

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