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Platteville council considers resolution to plug tax loopholes for big-box retailers

City manager says retail chains are shifting the tax burden to residents and small businesses.

BY BENNET GOLDSTEIN

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PLATTEVILLE, Wis. — Platteville Common Council members are considering whether to ask Wisconsin lawmakers to close tax loopholes that big-box retailers are leveraging to reduce assessed property values.

When retailers take advantage of the loopholes, they shift the tax burden to resident taxpayers and independent retailers, said Platteville City Manager Karen Kurt.

"Fundamentally, it's an issue of fairness," she said.

Platteville would join more than 15 Wisconsin municipalities that have adopted model resolutions provided by the League of Wisconsin Municipalities. Other cities include Prairie du Chien, Madison and Milwaukee.

The resolution is a response to a string of hundreds of lawsuits brought by retailers — including Lowe's, Target, Meijer, Home Depot and Menards — challenging their assessments, according to Jerry Deschane, the league's executive director.

Retailers have argued successfully in court that stores'

TH 'issue of fairness'

View the proposed resolution, TelegraphHerald.com

assessed values should be based on the sales of vacant and abandoned properties of similar size, which reduces tax liability, he said.

Another strategy is used by Walgreens and CVS, retailers that rent most of their store properties. Attorneys have argued that assessors should value stores based not on their leases nor sale prices, but the amount the landlord would receive if the drugstore vacated the property and a different retailer moved in, according to

the league.

A spokesperson from Walgreens declined to comment.

Platteville is home to a Walgreens and Menards.

Within the past year, Menards successfully challenged its assessed value, Kurt said. It is currently assessed at \$8.4 million, a decrease of approximately \$468,000, according to property records.

"For a community like Platteville, that can still be significant," Kurt said, noting she does not know what argument the company used to reduce its assessment.

The league's model

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PLATTEVILLE: SW Wis. lawmakers support taking a look at the issue

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resolution ask lawmakers to clarify that leases be factored into property valuation and mandate that when assessors value properties by comparing them to sales of similar properties, they select properties that exhibit the "highest and best use."

"We are trying to get legislators' attention to the im-

plications of this tax shift," Deschane said.

He expects two bills to be introduced this legislative session.

Wisconsin Senate President Pro Tempore Howard Marklein, R-Spring Green, said he supports the league's position.

State Rep. Travis Tranel, R-Cuba City, noted that a K-Mart based in Platteville is

slated for closure.

"We wouldn't want Walmart or Lowe's or anybody else for that matter to come in and say that, 'We want ... our property value reassessed because that (K-Mart) property is worth less,'" he said. "Clearly those businesses are vital parts of the community and we want to work with them to make sure that the tax burden they pay is fair."