

# Bay Area Community Council

300 N. Broadway, Suite 3A ♦ Green Bay, WI 54303 ♦ [bayareacommunitycouncil.org](http://bayareacommunitycouncil.org)

## County Half Percent Sales Tax Frequently Asked Questions

**The Bay Area Community Council (BACC) believes it is important for the Brown County Board of Supervisors to take deliberate steps to debate and consider a future County Sales Tax before the current Stadium Sales Tax expires.**

BACC has researched the use of the county sales tax throughout the state of Wisconsin. That research of facts and other considerations of sales tax policy has been summarized in this white paper, which we hope will provide a starting point for informed discussion among county residents and their elected representatives. This County Half Percent Sales Tax FAQ can be found on the BACC website at [www.BayAreaCommunityCouncil.org](http://www.BayAreaCommunityCouncil.org).

### **1. By law, what local sales taxes may be enacted by counties in Wisconsin?**

Counties in Wisconsin can impose a half percent sales tax which is piggybacked onto the same goods and services that the state imposes a sales tax.

Beyond the property tax, county governments in Wisconsin have limited taxing options. As mentioned counties can adopt a half percent sales tax but they can also adopt local vehicle registration fees, also known as the “wheel tax.” The wheel tax allows counties to generate revenue for transportation-related purposes. This tax imposes a flat fee on the annual registration of automobiles and trucks not more than 8,000 pounds that are kept within the county. St. Croix County is the only county that currently assesses a wheel tax. (Runde, 2013)

### **2. By law, is there a ceiling on a local option county sales tax?**

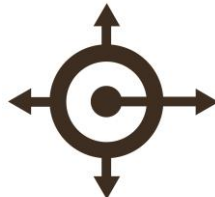
Counties are allowed to impose only a .5 percent sales tax on the same goods and services that are subject to the state sales tax. (Wisconsin State Statute 77.70)

### **3. How many counties now have a local sales tax?**

As of July of 2014, 62 of the 72 Wisconsin counties impose a county sales tax. Seven of the ten counties not imposing a county sales tax are in Northeast Wisconsin (Brown, Calumet, Kewaunee, Manitowoc, Menominee, Outagamie and Sheboygan). (The Wisconsin Taxpayers Alliance, 2013)

### **4. Does Brown County have a half percent sales tax now?**

No, the Brown County Board of Supervisors has not adopted a half percent sales tax. The Green Bay-Brown County Professional Football Stadium District, which was established in 2000 by state statute and referendum, does impose a half percent sales tax within the borders of Brown County. The revenue from the half percent sales tax funded the renovation and future maintenance of Lambeau Field.



**5. By law, who has the authority to levy a county half percent sales tax?**

Wisconsin state statute 77.70 gives county boards the authority to implement a half percent sales tax by adopting an ordinance with a majority vote of the members of the board. A county may adopt an ordinance to implement a local sales tax which is contingent upon the ratification of the voters. After an ordinance is adopted, a certified copy of that ordinance must be filed with the Department of Revenue at least 120 days prior to its effective date.

**6. By law, must a half percent sales tax be used for specific purposes? What purposes are permitted?**

Wisconsin State Statute 77.70 states that a county sales tax must be used for the reduction of property taxes. However, a 1998 Attorney General’s opinion expanded that to allow counties to “defray the cost of any item which can be funded from a countywide property tax.” (OAG 1-98)

Other than property tax relief, state statute does not list any permitted or prohibited uses of the county sales tax.

**7. Are any half percent sales tax receipts sent outside the county? Or to local municipalities?**

All of the sales tax revenue collected by the Stadium District funded the renovation of Lambeau Field and the state mandated maintenance fund. No revenues from the Stadium District tax are sent out of the county, unless a non-Brown County resident purchased a vehicle in Brown County and registered it to their out-of-county residence.

While Brown County does not have a sales tax, there is a provision within state law that allows counties to share their sales tax revenues with municipalities. Previous law authorized counties to adopt a sales tax but mandated that sales tax revenue be distributed with the underlying municipalities. In 1985, that law was changed to allow counties to adopt and retain sale tax revenue. (Runde, 2013)

**8. What types of goods are taxed?**

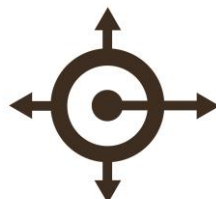
The half percent county sales tax is “piggybacked” onto the state sales tax. This means the county sales tax is applied to the same goods and services as the state sales tax. Under Wisconsin law, all goods and services are subject to the sales tax unless specifically exempt. (Runde, 2013)

**9. Who pays a county sales tax?**

Anyone who purchases goods or services within a county which imposes a half percent sales tax or purchases a large item, such as a vehicle, and resides within a county with a half percent sales tax. Retailers are required to collect the sales tax, for which they are allowed to keep an administrative fee of .5 percent of the sales tax collected.

**10. For counties that have the half percent sales tax, has it been a reliable revenue source for funding basic services?**

A number of factors go into whether the sales tax is a reliable source of funding for county governments. Sales taxes increase or decrease with the economy, more specifically personal income growth. During the 2007-2009 recession,



per capita collections of sales tax revenues fell between 3.6 and 4.8 percent making it difficult for counties to predict future sales tax revenues.

Another factor that plays into the reliability of the sales tax is the demographics of the taxing jurisdiction. Counties with aging populations, 65 or older, saw slower growth in their sales tax collections. Spending as an individual nears retirement slows, resulting in fewer sales tax collections.

Tourism often times plays a significant role in the collections of sales tax. A county with strong tourist activities is often times shielded from statewide factors which have a negative impact on sales tax collections. Conversely, if the national economy is struggling, tax collections in tourist destinations are hit harder due to a lack of travel from out of state tourists.

The reliability of the sales tax can also depend on the amount of sales tax used within a county budget. Counties that rely on a larger percentage of sales tax revenue to fill their budget are more susceptible to the volatility that can occur in sales tax collections. (The Wisconsin Taxpayers Alliance, 2013)

A good practice that some counties have done is to hold off on using sales tax revenue until the following year so that they know exactly how much revenue they can use in their upcoming budget preparations. County officials can track the progress of the sales tax receipts and make adjustments if receipts come in lower than anticipated for the next budget cycle.

**11. Once a county enacts a sales tax, can it be ended at some point? If so, how?**

Wisconsin State Statute 77.70 also allows for the repeal of a county half percent sales tax through the repeal of the ordinance that the county passed to adopt the tax. A certified copy of the ordinance must be delivered to the secretary of the Department of Revenue at least 120 days prior to the effective date of the repeal. The repeal of such ordinance shall be effective December 31.

**12. Although Brown County does not currently have a half percent sales tax, it does have a half percent stadium tax. Will that tax be ending—and if so, when?**

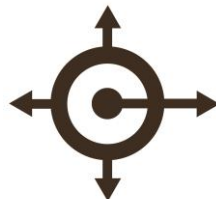
The Stadium District half percent sales tax will end in 2015. Current estimates suggest the tax will end in September, unless a severe economic downturn occurs then the tax will sunset in December 2015. This sales tax cannot be extended by the Stadium District or any municipality. (Green Bay-Brown County Professional Football Stadium District)

**13. On average, how much tax revenue was produced each year in Brown County by the half percent stadium tax?**

The Stadium District half percent sales tax generated just under \$23 million in 2013. (Stadium District, 2014)

**14. What proportion of the half percent stadium tax was paid by visitors from outside the county?**

It has been estimated that 30 percent of the \$23 million in sales tax revenue comes from people who live outside of Brown County. (Green Bay-Brown County Professional Football Stadium District)



**15. Leaving aside the portion paid by visitors, how much was paid on average per year per resident?**

In 2013, the Stadium District collected \$22.9 million (Stadium District, 2014) in sales tax revenue. Approximately 30%, or \$6.9 million came from people residing outside of Brown County, with the remaining \$16.0 million from the estimated 255,000 county residents, an average of \$63 per person.

**16. When the stadium tax ends, what then?**

There are two options for the Stadium District, even though the sales tax will have sunset. The Stadium District could disband which would require the economic development fund it administers to be shifted to the City of Green Bay. If the Stadium District chooses to continue on, it would be responsible for the administration of the economic development fund and work with the Packer’s organization to hold special events at Lambeau Field. (Wisconsin State Statute Subchapter IV of Chapter 229) The Stadium District retains a \$10 ticket fee and a portion of some parking fees that funds the economic development fund. (Stadium District, 2014)

**17. Can the county ask for advice from voters on what to do by holding a referendum? Would it be binding or advisory?**

Under ss. 59.52(25) counties are allowed to “conduct a countywide referendum for advisory purposes or for the purpose of ratifying or validating a resolution adopted or ordinance enacted by the board contingent upon approval in the referendum.” However, counties do not have binding referendum authority to place initiatives on the ballot.

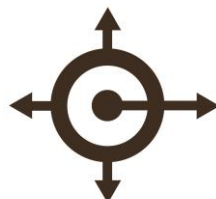
**18. What other methods could the county use to get advice from voters on what to do?**

County governments can get advice from residents through several means. They can hold public hearings or listening sessions, place advisory referendum questions on ballots, send out surveys or seek information through their website and social media sites.

**19. What does Brown County government do?**

Here is a list of Brown County government departments; many only partly funded by local tax dollars:

- |                                      |   |
|--------------------------------------|---|
| Administration                       | District Attorney                       |
| Aging and Disability Resource Center | Emergency Management                    |
| Airport                              | Golf Course                             |
| BC Drug Court                        | Health                                  |
| BC Focus on Energy Initiative        | Human Resources                         |
| Child Support                        | Human Services-Community Programs Div.  |
| Circuit Court                        | Human Services-Community Treatment Ctr. |
| Clerk of Circuit Court               | Jail                                    |
| Corporation Counsel                  | Land & Water Conservation               |
| County Board                         | Land Information Office                 |
| County Clerk                         | Lean Management                         |
| County Executive                     | Library                                 |



Medical Examiner  
Museum  
NEW Zoo  
Parks Management  
Planning  
Planning and Land Services  
Port  
Property Listing  
Public Safety Communications  
Public Works - Facility Management  
Public Works - Highway  
Purchasing

Register in Probate  
Register of Deeds  
Resource Recovery  
Sheriff  
Syble Hopp  
Technology Services  
Treasurer  
UW Extension  
Veterans' Services  
Zoning

<http://www.co.brown.wi.us/departments/>

**Bay Area Community Council is a 501 (c) (3) public foundation formed in 1990 for the purpose of coordinating and aligning the business, non-profit, government and education sectors in the Green Bay WI area to address emerging community issues.**

