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For Immediate Release

City of Waukesha Participates in Dark Store Day

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City of Waukesha Mayor Reilly joins with local leaders across Wisconsin in designating December 11 as Dark Store Day to draw attention to pending legislation designed to halt dark store tax avoidance strategies. Mayor Reilly spoke on this issue on WTMJ on the morning of December 11th and he also attended a press conference in Wauwatosa.

As big box retail chains and single tenant commercial properties use these strategies to significantly reduce their property taxes, other taxpayers, mainly homeowners, will see their property taxes increase as they shoulder more of the tax levy. Mayor Reilly and local leaders statewide are calling on state legislators to stop this tax shift by scheduling a vote in January on Senate Bill 291 (reversing the *Walgreens* decision) and Senate Bill 292 (closing the dark store loophole). "Both of these bills have broad bipartisan support and will easily be passed if a vote is scheduled" said Mayor Reilly.

SB 291 closes a gap in Wisconsin's property assessment laws that allow single tenant commercial properties, like Walgreens and CVS, to argue that the value of their property is not what it appears to be. As a result of a 2008 Supreme Court ruling, chain drug stores have been paying taxes on their properties in Wisconsin at half their actual fair market selling price; a discount unavailable to residential and owner-occupied commercial properties.

SB 292 nullifies a related but different tax avoidance tactic. National big box retail chains and other commercial property owners are challenging their assessed values using the "Dark Store Strategy" to argue that their thriving businesses must be assessed for tax purposes as though they were a vacant, boarded up property. The Indiana legislature and Michigan courts have recently invalidated the dark store theory in those states. SB 292 makes it clear that the Dark Store loophole is closed in Wisconsin.

"Stores should not receive an unfair property tax break, especially when the result is a continued unfair tax shift to the constituents" said Mayor Reilly.

END

