



PRESS RELEASE

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For Immediate Release to: Milwaukee Journal-Sentinel, Milwaukee Business Journal, BizTimes, Waukegan News Sun, Kenosha News, Racine Journal Times, Southern Lakes, WGTD, WLIP/WIIL, WRJN/WEZY, WTMJ, WISN, WDJT, Fox 6 News, KACC, KABA

Dark Store Day

PLEASANT PRAIRIE, WI – December 5, 2017 - President John Steinbrink of the Village of Pleasant Prairie 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. 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. President Steinbrink 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).

“There is overwhelming legislative and public support to pass both of these proposals. I urge leaders of the State Senate and Assembly to schedule a floor vote in their respective bodies”, said President Steinbrink. “There is such broad bipartisan support everyone is confident these proposals will garner near unanimous approval if they’re allowed to be voted upon”.

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 locally owned 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 business locations must be assessed for tax purposes as though they were a vacant, abandoned 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.

“The potential property tax increase for other taxpayers in our community if the dark store strategy and *Walgreens* decision is fully implemented is 17%”, said Steinbrink. “Communities like Pleasant Prairie that have successfully attracted a large amount of good quality economic development with nationally branded occupants are now being told these properties are worth only a fraction of their cost to develop or actual sale prices.”

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