

PURPOSE: A RESOLUTION REQUESTING LEGISLATIVE AUTHORIZATION FOR A MUNICIPAL SALES TAX IN CITIES LOCATED IN COUNTIES WITHOUT AN ADOPTED COUNTY SALES TAX

INITIATED BY: Councilor DJ Nichols

WHEREAS, the City of Oshkosh, like many municipalities across Wisconsin, is facing increasing demands for essential public services and infrastructure investments; and

WHEREAS, state-imposed limits on property tax levies and the erosion of state aid have significantly constrained the ability of municipalities to meet local needs without placing undue burden on homeowners and small businesses; and

WHEREAS, current Wisconsin law authorizes counties—but not cities or villages—to impose an additional 0.5% county sales and use tax, the revenue from which is retained by the county; and

WHEREAS, this limitation prevents municipalities in counties that have chosen not to adopt a county sales tax from accessing a local sales tax revenue stream, regardless of local support or need; and

WHEREAS, the City of Oshkosh is located in Winnebago County, which has not adopted a county sales tax, thereby denying the City an opportunity to generate local revenue through a sales tax mechanism commonly used in other jurisdictions across the country; and

WHEREAS, authorizing cities located in counties without a county sales tax to impose a municipal sales tax of up to 0.5%, in addition to the existing state sales tax, would enable such municipalities to diversify their revenue sources, reduce overreliance on property taxes, and fund critical services in a more equitable and economically efficient manner; and

WHEREAS, cities of the second class, such as Oshkosh, serve as regional centers for employment, commerce, education, healthcare, tourism, and infrastructure, and as such, should be given an additional option to levy a modest municipal sales tax to offset disproportionate property tax burdens borne by residents who fund services used by the broader region; and

WHEREAS, any such municipal sales tax should be retained entirely by the municipality and not be subject to distribution by the state or county; and

WHEREAS, to provide stability and predictability in municipal finance, any such municipal sales tax lawfully adopted prior to the enactment of a county sales tax should be grandfathered in and permitted to remain in effect, notwithstanding the county's subsequent adoption of its own sales tax.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Oshkosh that it hereby urges the Wisconsin State Legislature and Governor to enact legislation authorizing cities located in counties that have not enacted a county sales tax under Wis. Stat. § 77.70 to impose a municipal sales and use tax of up to 0.5%, in addition to the state sales tax, and to retain 100% of the proceeds of such tax.

BE IT FURTHER RESOLVED that any municipal sales tax adopted under this authority shall remain in effect and continue to be collected by the municipality even if the county subsequently adopts a county sales tax, with the municipal sales tax fully grandfathered in.

BE IT FURTHER RESOLVED that the City Clerk is directed to transmit a copy of this resolution to the Governor of the State of Wisconsin, the Wisconsin State Legislature, and the League of Wisconsin Municipalities.