



VISION 2020

Proposed ½% County Sales Tax: *Facts for Citizens of Sheboygan County*

Sales Tax Background

Since 1986, Wisconsin State Statute (Chapter 77) has allowed counties to implement a .5% sales tax.

A county may impose the sales tax, at a uniform rate of ½%, by adopting a sales tax ordinance and delivering a certified copy to the state Department of Revenue at least 120 days prior to its effective date. The tax becomes effective on the first day of January, April, July or October.

Sixty-three (63) of the 72 counties in Wisconsin have implemented a county sales tax.

The county tax is “piggybacked” on the state 5% sales tax.

Examples of purchases that are exempt from sales tax: most grocery items, medicines and medical equipment, fuel and electricity, printed publications.

University of Wisconsin-Extension Local Government Center estimates that the 2010 county sales tax yield potential for Sheboygan County is \$8,985,034.

Approximately 20% (\$1.8 million) of the sales tax collected would be generated by tourism. Tourism spending in Sheboygan County has increased from \$110 million in 1994 to \$352 million in 2007, ranking Sheboygan County 9th in the state.

Cost Containment Initiatives

Sheboygan County has been working hard the past ten years to provide cost-effective local government. Examples of cost containment initiatives:

- Nine departmental consolidations/relocations at a savings of \$2,932,462
- County wide Program Evaluation and Prioritization process in 2005 & 2009
- Obtained outside consultants to complete studies of five county departments which led to administrative efficiencies and staff reductions
- Reduced the number of employees from 1,349 in 2003 to 962 in 2010 (28% reduction) at a savings of \$12,499,000
- Total county payroll is less today than in 2002.

- Established a County InHealth Clinic and Wellness Program and implemented health insurance plan design changes at a cost savings of \$750,000
- 2010 hiring freeze, targeted expenditure reductions and solicitation of employee and citizen suggestions for cost saving measures
- County Board implementation of a self-imposed bonding limit of \$4 million annually related to capital project expenditures at a cost savings of \$15,830,000 in principal and \$5,490,000 in interest (total \$21,320,000) to date
- Reduced the County property tax levy three consecutive years (2008, 2009, 2010)

Do What I Say, Not As I Do

The State creates programs and requires Sheboygan County to implement, but does not take responsibility to pay for them.

State shared revenue has been reduced since the mid 1990's.

The State takes more of the revenue the County collects than it allows us to keep.

To date, 75% of the County's property tax levy is needed to fund State-mandated programs.

The State has had a structural deficit dating back to 1995.

Wisconsin has the largest deficit per person of all 50 States!

Implications if revenue streams are not diversified?

- Significantly reduce programs and services
- Pay more in property taxes for less services
- Existing fund balance may be depleted
- Transportation infrastructure will deteriorate
- Pass on more debt to future generations

Positive outcomes of implementing a ½% County Sales Tax:

- Maintain Quality Programs and Services
- Property Tax Relief
- Spur economic development and job creation
- Potential to become debt free by 2020, saving taxpayers over \$5.6 million in interested payments over the next 10 years
- FISCAL RESPONSIBILITY