



CITY OF MILWAUKEE

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**Wisconsin Supreme Court ‘dark store’
decision a huge win for state’s taxpayers,
municipalities**

Statement from Milwaukee Common Council Members Alderman Scott Spiker, Alderman Michael J. Murphy, and Alderman Mark Chambers, Jr.

On Thursday (February 16th) the Wisconsin Supreme Court sided with the City of Delavan, ruling that its property tax assessments of a Lowe’s Home Improvement store were proper after the store sued to get a lower assessment, and therefore pay less property tax.

The possibly ground-breaking decision hits back at so-called “dark store” tax theory that is commonly used in Wisconsin and across the country. The practice involves comparing the value of a vibrant, operating big box retail store to closed, vacant, and distressed or “dark,” stores nearby. Used by big box retailers such as Menards, Lowe’s, and Walmart, dark store theory works to take revenue away from municipalities and therefore drive up property taxes on residents’ homes. This decision ensures that those vibrant stores are fairly assessed at their true market value.

We believe this is a HUGE ruling by the Wisconsin Supreme Court (WSC) for the average taxpayer in the City of Milwaukee and residential taxpayers throughout the state. Had the decision gone the other way, it would have dealt a severe blow to municipal tax bases statewide, especially the City of Milwaukee, which has a commercial tax base of over \$13 billion. When big box stores are able to scheme illegitimately to keep their taxes down by saying that their active vibrant stores should be taxed comparably to closed “dark” stores, the tax burden is then shifted onto the average residential taxpayer (as well as other businesses).

We are hoping that this UNANIMOUS ruling by the WSC slaps down these schemes once and for all. Kudos to the WSC for seeing through the weak arguments of a select group of corporations trying to get around paying their fair share...and handing the bill to us instead.