



DAVID STEFFEN

STATE REPRESENTATIVE • 4th ASSEMBLY DISTRICT

January 11, 2024

Testimony to the Assembly Committee on Ways and Means: Assembly Bill 371

Chairman Macco and Committee Members,

Thank you for the opportunity to provide testimony in favor of Assembly Bill 371, which would exempt telephone companies from the personal property tax beginning with the 2024 assessment (date established in Assembly Amendment 1).

While the 2023-25 budget put forth by the Legislature included \$173 million in tax relief for most businesses by eliminating the burdensome personal property tax, telecommunication companies were not included in that relief. Today, telecommunication companies are still subject to this inefficient and incredibly cumbersome tax. AB 371 seeks to remedy this imbalance by eliminating the personal property tax for telephone companies, just as it was eliminated for other businesses in the biennial budget.

AB 371 is not asking for special treatment of telecommunication companies, but rather, for the same treatment under Wisconsin tax law as is applied to other businesses across the state. Wisconsin telephone companies would continue to pay their share of income taxes, employer payroll taxes and sales and use taxes.

The personal property tax no longer made sense for businesses in Wisconsin and was deemed inefficient and highly burdensome—which is why it was virtually eliminated in the 2023-25 budget. Just like in other areas of business, the personal property tax is equally inefficient and burdensome to telephone companies and should be eliminated for these businesses as well.

Thank you for the opportunity to provide testimony in favor of this bill. I encourage you to join me in supporting this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "David Steffen", is written over a horizontal line.

David Steffen
State Representative
4th Assembly District



Bill Esbeck, Executive Director
Wisconsin State Telecommunications Association
Testimony in Support of Assembly Bill 371
Assembly Committee on Ways and Means
January 11, 2024

Chair Macco and members of the committee, thank you for the opportunity to provide testimony in support of Assembly Bill 371.

My name is Bill Esbeck, and I am the Executive Director of the Wisconsin State Telecommunications Association.

As quick background on WSTA, we incorporated in 1910 as the Wisconsin State *Telephone* Association. We changed our name in the 1990s to the Wisconsin State *Telecommunications* Association. This name change better represents our member companies as they diversified into the provision of internet service and digital video products. We currently represent 37 companies who own and operate more than 70 broadband service providers.

I want to thank and recognize Representative Steffen and Senator Bradley for their support of equal taxation and their willingness to author this legislation. I also want to thank Representative Brooks for his support as a cosponsor of AB 371.

As you know, this legislation will repeal Wisconsin's Telephone Company Property Tax, which has been in place since the mid-1990s.

AB 371 is needed because the repeal of the Telephone Company Property Tax was not included in the repeal of Wisconsin's Personal Property Tax enacted earlier this year. The Telephone Company Property Tax is a separate statute and was not covered with the PPT repeal.

When the Coalition to Repeal Wisconsin's Personal Property Tax initially formed, we spoke with the coalition leaders and raised the Telephone Company Property Tax as an issue. At the time, we were told that it would not be included in the coalition effort.

The elimination of Wisconsin's Personal Property Tax without the simultaneous elimination of the Telephone Company Property Tax is unfair to the traditional telephone companies still subject to that property tax:

- *At a high level, it is unfair that all other Wisconsin companies will no longer pay personal property taxes.*
- *More specifically, it is unfair because it creates a competitive imbalance within the broadband provider community. Traditional cable companies will benefit from the PPT repeal, while traditional telephone companies will not enjoy the same benefit from the PPT repeal.*

Simply put, Assembly Bill 371 will create a level playing field with all other Wisconsin businesses that benefit from the PPT repeal.

Thank you for your time and attention this morning. I respectfully ask that you support AB 371 and the repeal of the Telephone Company Property Tax.

Please contact Bill Esbeck at bill.esbeck@wsta.info with any questions.