

MOHS, MACDONALD, WIDDER & PARADISE

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October 12, 2004

Ms. Laura D. Rose, Deputy Director
Wisconsin Joint Legislative Council
One East Main Street
Suite 401
P.O. Box 2536
Madison, WI 53701-2536

RE: Tax Exempt Housing

Dear Laura:

I have thought of some issues that are fundamental to our thinking on the above issue. They are:

- 1) Do we believe in tax uniformity as conceived in the Wisconsin Constitution as a valuable principal?
- 2) Do we agree that housing, except tax exempt housing, should be appraised and assessed and taxed through a process that treats individual property owners as equally as possible based upon the value of their property?
- 3) Do we agree that where tax exemptions are provided, that a public good must be demonstrated equal to the exemption provided?
- 4) Do we agree that the economics of subsidized housing change from time-to-time, such as Section 8 housing programs or tax credit housing programs, which can make the justification for tax exemption either more or less persuasive?
- 5) Because of claimed benefits of providing tax exempt housing may change form time-to-time, is it wise to establish permanent tax exemption depriving local governments of the opportunity to respond to that changing environment?

Ms. Laura D. Rose, Deputy Director
Page 2 of 2
October 12, 2004

6) Are the advocates for tax exempt housing willing to look at alternate mechanisms for government to finance the good that they do?

The foregoing are core issues that should be addressed and decided upon. Although it is obvious that this line of questioning poses some challenges for the supporters of tax exemption housing, it does not mean that there is not an acceptable solution out there somewhere that will allow them to continue good works and at the same time, provide our citizens with a tax system that is considered fair and accountable.

Sincerely,

MOHS, MACDONALD, WIDDER & PARADISE

A handwritten signature in cursive script that reads "Frederic E. Mohs" followed by a stylized monogram or initials "Kc".

Frederic E. Mohs

FEM:kjc