
ST. CROIX BUSINESS PARK

HUDSON, WISCONSIN

Why Wisconsin?

Tax Study Shows Wisconsin's Continued Advantages

In March 2010, the Minnesota chapter of the National Association of Industrial and Office Properties (NAIOP) released its 23rd annual comparative tax study for the payable 2009 tax year. NAIOP concludes that the property tax burden under which Minnesota businesses toil tops all other states in the study except one. Meanwhile, property taxes paid by business and industry in Wisconsin rank much lower than the taxes paid by Minnesota businesses. Wisconsin's taxes were found to be lower than all of Minnesota's neighboring states except for North Dakota.

The study compares property tax and other tax costs of doing business in Minnesota for a typical manufacturing business with taxes paid by a similar business in comparable, competing states. The businesses used in NAIOP's study were typical small firms with 99 employees, occupying 70,000 square feet, single tenant buildings located in several states adjacent to, or competing with, Minnesota. The buildings were selected for similarity in age to eliminate any effects of local tax incentive programs, and in size, type of construction, and land area. The tax data was obtained each year from local assessment records adjusted only by taxes, tax rates, and valuation occurring at the local jurisdictional level.

The estimated tax burden for the Minnesota manufacturer was estimated at \$128,975 (or \$1.84 per square foot) compared to \$59,545 (\$0.85 per square foot) in Wisconsin, meaning Minnesota's tax burden was 2.16 times higher. The highest property taxes paid in the study were attributable to Illinois at \$192,390 (\$2.75 per square foot) or 3.23 times higher than in Wisconsin. South Dakota's tax burden was estimated at \$111,506 (4th highest; \$1.59 per square foot); Iowa was 6th highest at \$90,586 (\$1.29 per square foot); Wisconsin was 9th overall; and North Dakota was 11th at \$55,095 (\$0.78 per square foot).

Because property taxes are recurrent costs, they are typically evaluated in the site selection process for the expansion, relocation or consolidation of facilities. NAIOP has compared actual property tax costs on comparable buildings throughout several states since 1986, and Minnesota consistently leads most other states by a wide margin.

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