

Mid-Year Sales Tax Distributions Announced

St. Croix Valley Counties 2011 Gains Are Near Pre-Recession Levels

The Wisconsin Department of Revenue (DOR) recently posted January - June 2011 sales tax distributions to counties that have enacted the 0.5 % sales tax.

For the first six months of 2011 DOR sent \$2.341 million to St. Croix County. This is an increase of \$183,926 (+8.52%) compared to the first six months of 2010 when \$2.157 million was distributed. More importantly, the 2011 distributions to St. Croix have returned to the pre-recession levels of 2007 when the county received \$2.370 million from DOR. Economists are in agreement that the recession began in December 2007.

“Like many things, tracking sales tax distributions is less than scientific,” said William Rubin, executive director of St. Croix Economic Development Corporation (EDC). “Distributions for the month of June can be attributed to taxable purchases made in March or April. Regardless, if sales taxes are near the pre-recession levels of 2007, it suggests consumers have confidence to make purchases.”

St. Croix Valley: St. Croix, Polk, and Pierce counties comprise Wisconsin's St. Croix Valley. January to June 2011 sales tax distributions to Polk and Pierce increased from 2010 to 2011. DOR returned \$1.093 million to Polk during the first six of months of 2011 compared to \$992,763 in 2010 (+\$101,207 or a 10.19% increase). Pierce County earned \$719,622 in the first six months of 2011 compared to \$651,476 in 2010 (+\$68,146 or a 10.46% increase). Distributions for 2011 to Polk and Pierce are running ahead of 2007 distributions. Polk County had \$1.070 million in sales tax proceeds in 2007 while Pierce had \$684,738.

Wisconsin Sales Tax: Wisconsin imposes a 5% tax on the sale or use of most tangible personal property and on selected services. Each business is responsible

St. Croix Valley Sales Tax Distributions January - June			
County	2011	2010	2007
St. Croix	\$2,341,545	\$2,157,619	\$2,370,014
Polk	\$1,093,977	\$992,763	\$1,070,860
Pierce	\$719,622	\$651,476	\$684,738

Source: Wisconsin Department of Revenue; St. Croix EDC (June 2011)

for paying the sales tax, regardless of whether the tax is identified on the bill of collected directly from the consumer. Counties may levy local sales and use taxes on the same tax base as the state sales tax. Sixty-two of Wisconsin's 72 counties levy the additional 0.5% sales tax.

Minnesota Sales Tax: The State of Minnesota imposes a sales tax of 6.875 %, effective July 1, 2009 through a 2008 constitutional amendment for 25 years to fund outdoor heritage, clean water, parks and trails, and historical and cultural heritage. Minnesota's rate is the highest in the region that includes the two Dakotas, Nebraska, Iowa, and Wisconsin. Minnesota does not tax clothing, food for home consumption, or a number of services.

Additional Sales Taxes in Minnesota: There may be additional sales taxes in Minnesota depending on locale. In Stillwater and Woodbury, Minnesota a 0.25% transit improvement tax is added to taxable purchases, bringing the total to 7.125 %. In downtown Minneapolis, Hennepin County has an extra 0.15% tax to go along with a 0.25% transit improvement tax. Together, taxable purchases made in downtown Minneapolis incur sales taxes of 7.775 %.

Other States: Forty-five states and the District of Columbia impose a sales tax. California's rate of 8.25% is the highest, and several states are at 7.0% including Indiana, Mississippi, New Jersey, Rhode Island, and Tennessee.