

INTERGOVERNMENTAL COOPERATION COUNCIL
OF MILWAUKEE COUNTY

**A RESOLUTION OF THE MILWAUKEE COUNTY INTERGOVERNMENTAL
COOPERATION COUNCIL (ICC) REQUESTING THAT THE WISCONSIN
DEPARTMENT OF REVENUE CORRECT ONGOING SALES TAX
MISALLOCATIONS CAUSED BY ZIP CODE-BASED ERRORS AND ENSURE FAIR
AND ACCURATE TAX ASSESSMENT FOR SUBURBAN RESIDENTS**

WHEREAS, the City of Milwaukee's 2% municipal sales tax took effect on January 1, 2024; and

WHEREAS, immediately after implementation, municipal leaders across Milwaukee County began receiving reports from suburban residents who were incorrectly charged the City of Milwaukee sales tax on service subscriptions, digital platforms, and certain retail purchases, despite residing outside of the City of Milwaukee; and

WHEREAS, recent social media posts and consumer reports have shown that this persists as a widespread problem involving major streaming services, music platforms, and national online retailers, many of whom rely on ZIP code-based databases that automatically default to "Milwaukee" when ZIP codes are shared between the City of Milwaukee and neighboring suburbs; and

WHEREAS, even when ZIP+4 data is entered, shared ZIP codes across municipal boundaries continue to cause platforms to assign "Milwaukee" as the municipality, resulting in improper and unfair taxation of suburban residents whose purchases should not be subject to the City of Milwaukee municipal sales tax; and

WHEREAS, this issue undermines tax fairness for suburban communities, whose residents should not have their tax dollars improperly diverted to a municipality in which they do not reside; and

WHEREAS, local officials first raised these concerns with the Department of Revenue in early January 2024 and believed at that time that corrective measures were being implemented; and

WHEREAS, despite those efforts, the problem persists—especially when residents sign up for new services, update payment methods, or engage with national vendors whose internal systems rely solely on ZIP code matching rather than municipal boundary-based tax assignments; and

WHEREAS, the State of Illinois provides a functional model for parcel-level sales tax assignment, ensuring that every address is linked to accurate tax rates based on true municipal boundaries, not ZIP codes; and

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WHEREAS, adopting a parcel-based system would prevent ongoing errors, protect residents across Milwaukee County

NOW, THEREFORE, BE IT RESOLVED, that the Milwaukee County Intergovernmental Cooperation Council hereby requests that the Wisconsin Department of Revenue develop and implement a parcel-level tax assignment system—similar to the Illinois model—ensuring that every residential and commercial property in Milwaukee County is correctly tied to its appropriate local tax rates, eliminating ZIP code-based misallocations; and

BE IT FURTHER RESOLVED that the ICC requests the Department of Revenue conduct a random audit of major streaming services, music platforms, national online retailers, and other high-volume vendors to verify whether they are correctly assessing local sales tax rates for suburban residents and to identify any vendors still defaulting to Milwaukee tax rates in shared ZIP codes; and

BE IT FINALLY RESOLVED that the ICC urges the Department of Revenue to treat this matter with urgency, as it has now persisted for nearly two years, and to take immediate steps to ensure the fair, accurate, and lawful assessment of sales tax for all residents and businesses in Milwaukee County.

Executed this 8th day of December 2025, on behalf of the Intergovernmental Cooperation Council of Milwaukee County.

Chair, ICC
Mayor, City of Oak Creek

Vice Chair, ICC
Mayor, City of West Allis

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