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# The TAX TIMES

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Volume 10, No. 5

May 1995

## What Does Tax Freedom Day Mean?

By Katherine C. Greinke

**“Last year the state observed Tax Freedom Day on May 12th, compared with the national average of May 6.”**

Wisconsin will celebrate the arrival of *Tax Freedom Day* on **Thursday, May 11**. On this date taxpayers will finally be free of their obligations to the government and can begin to work for themselves. Tax Freedom Day is a benchmark to indicate when the average taxpayer's responsibilities to federal, state, and local governments is fulfilled if every dollar earned from the first of the year went towards tax obligations. For the nation as a whole, Tax Freedom Day arrives on Saturday, May 6.

Last year the state observed Tax Freedom Day on May 12th. This compared with the national average of May 6th. While the national average is holding constant, the date for Wisconsin is rolling backwards. Predictions were that

after the state assumes two thirds of school operating expenses, the date should fall earlier in the year. Reasons for a later date than the nation include: a heavier tax burden in Wisconsin than in the other states, and continues economic expansion, tied with a progressive tax structure—as incomes rise, tax burdens rise more than proportionately.

Of course taxpayers pay their total tax obligation over the whole year. **But taxes still represent the largest single commitment from the average worker's earnings.** Federal, state, and local taxes will take 2 hours and 52 minutes out of the average worker's 8 hours earnings in 1995 in Wisconsin. Collection of all federal, state, and local government taxes during 1995 in Wisconsin is estimated to equal 36% of total income generated in the state. In Wisconsin,

consin, federal tax collections will equal 23% of income while state and local tax collections will equal another 13% of income.

Another way of illustrating this taxation burden is to examine the impact upon a worker's biweekly paycheck. The chart at the bottom of this page show the distribution of taxes upon an average bi-weekly paycheck for a manufacturing production worker in the state of Wisconsin.

Katherine Greinke is a research analyst and service representative of the *Public Expenditure Survey of Wisconsin*. The **PES** is a private non-profit, non-partisan research organization making material available to public officials, the media, and taxpayer groups throughout the state. Their assistance and support of the **BCTA** has been most helpful and appreciated.

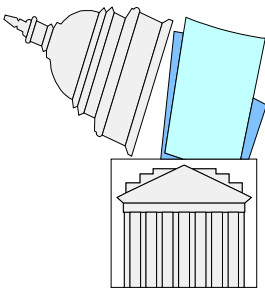
# I Knew I Wasn't In Wisconsin

By Dan Theno, 1st Vice-President

I knew Washington was different, but that doesn't make it any more understandable.

Upon receiving a promotion early this year to represent Fort Howard in Washington in addition to representing the company in Madison, I had anticipated some differences between the state and the national capital. Some of these differences were simply due to the structure and procedures of the two levels of government. Some of these differences are based on the cultural differences between the cities of Madison and Washington, neither of which can be comprehended by many folks in sensible, logical Green Bay.

Many taxpayers probably think that our leaders in Washington earn too much. Having experienced the cost of living in Washington, maybe they earn too little. A medium priced hotel in D.C. will cost \$200. Acquaintances have told me that an average, not condemned home will run you \$250,000. While bacon and eggs might cost you \$5 in Green Bay, the price in D.C. can be \$16. When you go out for dinner in D.C. plan to pay \$30 for a steak. And that's just the steak. You have to pay extra for a potato, a vegetable, a roll and a glass of milk.



One of my first meetings

in Washington was at the headquarters of General Electric. I was given the address on Pennsylvania Avenue and proceeded to walk to my meeting. Only problem was, GE isn't located on Pennsylvania Ave. It is located on E Street a block up. I told the receptionist at GE that I had a hard time finding the building since it has a Pennsylvania Ave. address but isn't on Pennsylvania Ave. "What do you expect? This is Wash-

ington," she said.

I knew I wasn't in Wisconsin.

The government in Washington is certainly different than the government in Madison. Consider these differences.

\* In Madison I can go into any office and sit down with a legislator to talk about an issue. Most of them know about Fort Howard and where Green Bay is. In Washington you infrequently see a Congressman and generally meet with a staff person.

In Madison you can lobby an issue independently of others. In Washington everything is done through coalitions of groups who share a common interest.

\* In Madison you can generally get into a hearing. I have had to wait seven hours in a line starting at 7: A. M. to get into one hearing in Washington.

\* Financial matters in state government are generally decided through the state budget. The Federal budget isn't one document, but a series of budgets for different aspects of government.

\* In Madison legislators normally only take one vote on a fiscal issue. In Washington a Congressman can vote one way to authorize an expenditure and another vote to actually appropriate the money.

As each week passes, I learn more about how our national government works than I ever did in a civics book. When I am in Washington representing my employer, I know I am not in Wisconsin.

"I don't know jokes, I just

**" I don't know jokes, I just watch government and report the facts."** .....Will Rogers

## March Meeting Notes

Katherine Gtreinke of the Public Expenditure Survey distributed a comparison of the powers of the governors of the fifty states. She explained that Wisconsin's governor has much more authority than the governors of most states. His power would be increased by some measures proposed in his budget.

Katherine reported that she is actively the Joint Finance committee's review of Governor Thompson's proposed budget. She noted that she has seen Representative Carol Kelso at all of the Joint Finance Committee hearings, observing and taking notes.

The directors approved a resolution in support of continuing residency requirements for municipal employees as a local option, opposing any state legislation that would remove this option from local government control. President Sladek was directed to transmit copies of the approved resolution to all state legislators from Brown County and to the Federation of Wisconsin Taxpayer Organizations.

**Dave Nelson, Secretary**

## Legislative Honesty Pledge needed at all levels of Govt.

In August of 1994, the Americans For Tax Reform group of Washington D.C. circulated a pledge that read: "I will pledge to the taxpayers of Wisconsin that: I will not vote to enact any health care reform plan that I have not first read and understand."

This pledge can and should apply to any legislation at any level of government. It is amazing how many pieces of legislation are voted on by elected officials who have not read the bill. In state government for example, some 1800 bills may be considered in one year. This situation requires the reading of an incredible volume of legal language and background that in many cases is simply not possible. Solution - reduce legislative activity.

**Michael Riley, Taxpayer Network, Inc.**

## Mayor Jadin Addresses April BCTA Meeting.

With less than a week in office, Green Bay Mayor Paul Jadin presented some of his fiscal management goals at the April BCTA meeting.

He related that he is directing city department heads to hold their departments' spending to 98.5 percent of their 1995 budgets, leaving a 1/5 percent cushion to carry into 1996. Each department will be expected to list the lowest ten percent of its budget requests for possible reallocation to departments with higher priorities.

He plans to work toward reducing administrative levels and sharing services with other units of government. He does not plan to bond for vehicles, but to fund the purchases with savings. To increase the City's tax base, he plans to develop an aggressive marketing plan. He noted that the 1997 reconstruction of Main Street and the Main Street bridge will have a major impact upon the downtown area.

Katherine Greinke of the Public Expenditure Survey distributed a timeline of the state budget process. She noted that another \$50 million must be found to balance the budget.

President Tom Sladek reported that only Brown County Executive candidate Steve Lasee returned a signed copy of the **BCTA county sales tax opposition pledge** mailed to the county executive candidates last month.

**“To tax and to please, no more than to love and be wise, is not given to men:  
.....Edmund Burke**

**“If you don't say anything, you won't be called upon to repeat it.”  
.....Calvin Coolidge**

# Report On The Legislature.

By Carol Kelso, 88th Assembly District Representative.

The Wisconsin Assembly has completed its first 100 days and passed a record number of bills that will help taxpayers by reforming government and reducing the size of government. As of April 8, the Assembly spent 123 hours on the floor, compared to just over 10 hours when the Democrats were in charge in 1993.

Among the 38 bills passed, many are of particular interest to the Brown County Taxpayers Association:

**School Revenue Caps (AB 6).** This bill removes the sunset and makes school revenue caps permanent. Caps are working! The average increase in school district tax levies dropped from 10.2% in 1992 to 0.3% in 1994.

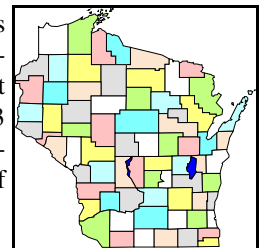
**Limits on School Spending (AB 7).** AB 7 limits state spending to the previous year's spending, adjusted by the state's per capita income growth or decline. The bill is limited to General Purpose Revenue, which is money generated through the state sales and income taxes.

**County General Relief Reform (AB 243).** This bill eliminates the requirement that counties create a written "statement of need" that mandates how much money general relief recipients must be given. It also eliminates the court imposed requirement that some counties pay more than the statutory minimum monthly amount. The Fiscal Bureau estimates this will save the state as much as \$1.6 million in the last six months of 1995.

**Prisoner Medical Expense Recovery (AB 26).** AB 26 allows counties to recover expenses for medical or hospital expenses from prisoners for care provided while they were in jail.

**Public Input on New Regulations (AB 264).** This piece of legislation requires state bureaucrats to let the public know the scope of regulations before they begin drafting them. Hopefully this will help limit the amount of bureaucratic "policymaking" and allow the public more input on regulations that are costly to both the public and private sectors.

The Assembly now turns its full attention to the omnibus budget bill. It will be first passed by the Joint Finance Committee, go to the Assembly and then the Senate. The document is over 2500 pages long! As presented, the state will fund 2/3 of the cost of public schools. This will mean a decrease of 10-125% on the property tax bill that you receive in December of 1996.



## An Apology

Several BCTA members have asked me if their name is still on our mailing list insofar as they did not receive a "TAX TIMES" in April. The problem was that due to a lack of time and material we were unable to print.

We want to thank Katherine Greinke, Dan Theno and Rep. Carol Kelso for submitting material for this issue of the "TAX TIMES", and welcome any articles on timely taxation matters from our members or other interested parties.

**Jim Frink - 336-6410**

**BROWN COUNTY TAXPAYERS ASSOCIATION**

**BCTA MEETING SCHEDULE**

Thursday - May 18, 1995                      DAYS INN, Downtown - 12:00 Noon

Thursday - June 15, 1995                      DAYS INN, Downtown - 12:00 Noon

Thursday - July 20, 1995                      DAYS INN, Downtown - 12:00 Noon

**PROGRAMS TO BE ANNOUNCED - Cost, \$6.00 per meeting.**

Call 469-7373 for reservations. (Leave message)     *All members of the BCTA and interested parties are cordially invited to attend and participate in these interesting meetings.*

**The TAX TIMES**

**BROWN COUNTY TAXPAYERS ASSOCIATION  
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