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# ❖ The TAX TIMES ❖

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Volume 11, Issue No. 6

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**The BROWN COUNTY TAXPAYERS ASSOCIATION**

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# WHAT DOES THE FUTURE HOLD !

Wisconsin, and Green Bay in particular, is a wonderful place to live, and it would be truly difficult to find a better home. Most comparisons by state of significant economic, social, and other standards of living statistically place Wisconsin at the average or above, while the Green Bay area often places ahead of other state communities.

Our professional football team brings us instant recognition from throughout the world, and the college basketball team is a subject of pride and we wish them continued success.

Citizens of our area enjoy a prosperity, standard of living, outdoor and indoor entertainment and recreational facilities which have to be the envy of visitors and which for the most part is our own little secret. We tolerate and even enjoy the winter weather which others claim is to our disadvantage, and are largely secure from other major natural disasters.

All of this does not come without a price, however. It is particularly disturbing that Wisconsin consistently places near the top nationally in state and local taxes assessed upon its citizens, and the ability of these citizens to pay these taxes while competing economically with the rest of the country. An article in last months "TAX TIMES" pointed out that *the Green Bay metropolitan area has the 7th highest effective property tax rates in the entire United States*. Unfortunately, these are the kind of numbers prospective employers contemplating investing here look at just as much as recreational and entertainment facilities, or the availability of labor and housing.

There are a number of expensive projects positioning themselves for public approval and public funding. The need for additional jail capacity has been fairly well documented, and is only waiting for a plan and a price tag everyone can live with. The Green Bay schools are requesting approval of a bonding referendum which appears to be only the tip of the iceberg as there are many other schools

in the area which we suspect will require repairs and additions in the near future.

Growth in area population is establishing a continuous need for additional grade schools (along with additional staff), and before too long we will be hearing about the need for additional, (and expensive) middle and high schools.

Warnings of the need for more water, sewage and solid waste disposal facilities in the not-too-distant future are being sounded, and these are **top priority projects** which will come at a high price to all of us.

It appears that everyone from the library and museum to the public safety and highway departments has a wish list that will be paid for with our taxes. Despite prosperity and talk to the contrary, social services and welfare will likely be a continuing burden as we just approved larger facilities for these programs administrators.

The Brown County Taxpayers Associations stand on most of these issues is that **#1 - A definite, high priority need to the community as a whole must be proven. #2 - An expenditure should be cost effective and not just for the benefit of a privileged few. #3 - Proposed publicly funded expenditures should be prioritized so as not to disrupt the present existing tax base, and #4 - New sources of tax revenue are extremely limited, and should not be exploited unless agreeable to all parties concerned, including those who pay them.** We will continue to advocate making do as much as possible with present revenues, and suggest that in many cases it is possible to cut existing expenditures rather than call for new taxes.

Let us hope that our representatives who will be selected in the coming elections convey the wishes of the taxpaying public (whatever they may be), over the hoopla and pressure from special interest groups promoting expensive projects which may prove to be a burden in years to come.

"Legislators represent people, not trees or acres. Legislators are elected by voters, not farms or cities or economic interests."  
 . . . . . Earl Warren

"Ere you consult your fancy, consult your purse."  
 . . . . . Benjamin Franklin

"If you like laws and sausages, you should never watch either one being made."  
 . . . . . Otto Von Bismarck

**QUESTION**

**What do the various state presidential primaries and gambling casinos have in common ?**

Answer on Page 5

## Some Allouez Elected Officials Receive Benefits in Excess of Salary.

Joyce Sharkey and Wayne Vander Putten, Allouez residents who oppose village paid health and dental benefits for village elected officials, have presented another 123 signatures to the Village Board at their March 5, meeting in opposition of such benefits.

Earlier this year the Board ignored 356 signatures and voted 5-2 to keep these benefits.

Two trustees who voted to retain benefits, Patricia O'Neill and Kevin Kuehn, are running for re-election March 19.

Seeking to unseat them are Paul Zeller and Dave Hoslet. Allouez trustees already receive salaries greater than their counter-parts in De Pere, Bellevue, Howard and Ashwaubenon. Also, these four communities DO NOT contribute to health and dental insurance.

A complete listing of the salaries and benefits received by Allouez elected officials appears below.

Wayne Vander Putten

## State and Local Taxes add over 10% to cost of a 2 day stay in Milwaukee.

A hypothetical two night stay in the City of Milwaukee would cost a visitor an additional \$36.35 for state and local taxes according to a study by the *Public Expenditure Survey*.

The 5.0% state sales tax would account for \$17.50 of this total, while county sales, stadium tax, food, beverage, car rental and room taxes would add an additional \$18.85 to your bill.

The following letter was sent to all area state representatives, outlining the Brown County Taxpayers Association position on a number of key issues. We asked for their comments and have received generally supportive responses

Dear Legislator:

January 19, 1996

As the State Legislature enters calendar year 1996, I wish to communicate with you about some issues of interest to Brown County taxpayers. On each of these issues, I will articulate the position of the Brown County Taxpayers Association. Our organization of approximately three hundred members advocates for fiscal restraint and responsibility in government at all levels. I urge you to support our positions and give them due consideration should they be acted upon by the house in which you serve (or within committees on which you serve).

**Issue One: Amending state statutes such that an exposition district with taxing authority may be created to expand the Green Bay conference center and build a new Brown County arena.**

BCTA Position: *We oppose this change in the law.* We have met with the supporters of this proposed legislation and told them we cannot consider supporting this until they present their detailed financial plans for public review and discussion. They acknowledged to us several months ago that such a detailed plan exists, but have not responded to our request that it be made available for public view. (A detailed resolution spelling out our concerns about this matter was passed by our Board of Directors and is available upon request.)

**Issue Two: Residency requirements - specifically, attempts to weaken or eliminate the ability of local governments to impose such requirements upon employees.**

BCTA Position: *We oppose these attempts.* We believe residency requirements are a matter for local determination. In the case of unionized employees, local governments had to surrender something at the bargaining table to put these requirements in place. The legislature has no business giving away (at taxpayer expense) something to public employee unions which they have failed to win at the bargaining table. (A detailed resolution calling out our concerns in this matter, passed by our Board of Directors, is available upon request.)

**Issue Three: Referendum requirements for school district bonding over \$1 million.**

BCTA Position: *We support preserving this requirement in current form.* This law works. When school districts wish to take on large amounts of debt, the voters should have their say, and that happens under current law. As a result, school districts are learning the importance of communicating with their taxpaying customers about district needs and priorities. Defeated proposals are being re-shaped to better reflect the wishes of the community. (An article published this month (January) in our Tax Times newsletter further articulates our views on this matter - available upon request.)

**Issue Four: Welfare reform.**

BCTA Position: *We believe significant reform to the welfare system is necessary.* Many of the initiatives in the Governor's "W-2" plan have merit in that they require the acquisition of job skills, a willingness to work, and incentives to break the welfare dependency cycle. The "W-2" plan deserves broad support and must not become de-railed by groups seeking to preserve the status quo.

**Issue Five: The cost of housing jail inmates.**

BCTA Position: *Our Directors are on record advocating a review of state imposed requirements for construction and operation of jail facilities,* with the intent being to eliminate requirements which drive up the cost. Brown County is faced with the prospect of constructing significant new jail facilities. The cost of such construction will be added to the already high costs of housing inmates in existing facilities. Local officials have told us these costs are driven up by state-imposed requirements.

Thank you for your consideration in these matters. We welcome opportunities to discuss items of interest with members of the legislature. Please write or call me (414) 433-2620 should you wish further discussion. Also, legislators are always welcome at our monthly directors meetings.

Sincerely yours,

BROWN COUNTY TAXPAYERS ASSOCIATION

Thomas G. Sladek, President

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# TAX RELIEF?

## Not from a County Sales Tax.

The law authorizing a 0.5% county sales tax was first approved by the legislature in 1969, but was not enacted in any of the state counties until 1986. Wisconsin Statutes sec. 77.70 which covers this tax states, **“the county sales tax may be imposed only for the purpose of directly reducing the property tax levy and only in their entirety”**.

The Public Expenditure Research Foundation reports that: ***Only 1 out of every 3 of the 48 counties which so far have imposed this tax actually experienced a first year drop in total property tax collections.***

In 1994 the Brown County Taxpayers Association prepared an extensive study examining the results and effect of the county sales tax on both counties which had imposed the tax and those which had not, with the following conclusions.

**#1 - The County Sales Tax does not reduce property taxes.** After the sales tax was in effect, property taxes actually increased more in counties with the sales tax than those without. **#2 - A County Sales Tax actually fuels additional spending.** Counties with the tax collected 27% more to spend than counties without it. **#3 - A County Sales Tax increases the appetite for debt.** Bonded indebtedness increased 121% in counties with the sales tax but only 90% in those without. **#4 - “Effective” tax rates are much higher when the sales tax is imposed.** In 1992, counties without sales tax had an average tax rate of \$5.039/m assessed valuation, while the counties which had added the sales tax had a combined tax rate equal to \$6.312/m assessed valuation. A difference of over 25%.

Our study did not cover competitive situations whereby people would patronage businesses in other counties to avoid sales tax but we suspect this may be a factor in certain cases, particularly in Brown and other counties in this area. Also, it would be difficult to determine sales taxes paid by “tourists” which was likely a reason for some counties such as Door for imposing the tax.

A limited number of copies of this study are available if anyone is interested. Even though the numbers may be different since this study was prepared in 1994, we would be very much surprised if the results and conclusions have changed to any extent.

### “TAX TIMES” Announcements

It has been brought to our attention that there have been an unacceptable number of typographical errors in recent issues of the “TAX TIMES”. We apologize, and hopefully have made the necessary corrections which include installation of a “spellchecker” in our software which was not functioning the past couple of months, and being more careful with our proofreading. We have been trying very

hard to make each months edition better than the last. We welcome contributions, comments, and in particular anything of interest to the **BCTA** and local tax issues.

Our next deadline will be Monday, April 1, as we require preparation and mailing time prior to our next meeting.

You can mail material to the BCTA at Box 684, Green Bay, WI 54305, or call Jim Frink at 336-6410 if you have any question. Thank you.

**Answer** (Question on Page #2)

**The only real big and consistent winners are the ad agencies and the media who make their living from selling advertising time and space.**

### FEBRUARY MEETING NOTES

Mike Riley of Taxpayers Network, Inc. presented the results of the Small Business Survival Foundation’s analysis of various federal tax options being debated currently. Using a scale of 0-8 on the following criteria: low flat tax rate to promote economic growth, no taxation of capital, inflation factor, clarity, simplicity, limited bureaucracy and intrusivness, minimize incentives for tax avoidance, and no additional boost to government spending, the foundation rated the alternatives.

<i>FLAT TAX</i>	<i>6.5</i>
<i>NATIONAL SALES TAX</i>	<i>6.0</i>
<i>VALUE ADDED TAX</i>	<i>4.0</i>
<i>CONSUMER INCOME TAX</i>	<i>0.5</i>
<i>CURRENT INCOME TAX</i>	<i>0.5</i>

The sales tax opposition pledge request is being mailed out to candidates for the Brown County Board.

The BCTA position on changes in state law to permit creation of an exposition district to collect taxes to fund the proposed arena and convention center projects was reviewed: The BCTA opposes such changes in state law until detailed financial plans for the projects are made public.

The next BCTA meeting is scheduled for Thursday, March 21, at the Days Inn.

**David Nelson - Secretary**

**“There is nothing so stupid as an educated man, if you get off the thing he was educated in.”**  
... Will Rogers

**“You can be young without money, but you can’t be old without it.”**... Tennessee Williams

*In case you missed it !*

## Marinette County Supervisors Table County Sales Tax

The Marinette County Board voted unanimously to table a resolution imposing the 0.5% county sales tax at their Jan. 23, monthly meeting. Even the supervisor who introduced the resolution voted with the majority to table the proposal "indefinitely." There reportedly was no discussion of any kind on the matter, and supervisors who were prepared to argue against the proposal "tucked away their six-shooters" unused.

## MEMBERSHIP

Jim Derbique

We are planning on conducting a membership committee meeting at 11:00 A.M., Thursday, March 21, at the DAYS INN, immediately prior to our regular monthly business meeting.

The purpose of this meeting will be to discuss ways of promoting membership in the BCTA, and to review ways of making our present organization and membership more effective.

All persons presently serving on the membership committee, and anyone else who would be interested is asked to attend.

Please call Jim Derbique at 468-9667 for additional information or if you have any question.

# VOTE !

Tuesday,  
March 19, 1996  
Your Vote  
DOES Count !

# Federal Budget Deficit Facts

**Deficit Causes Higher Interest Rates.** Historical data suggest a very strong correlation between Federal deficits and interest rates; for every 1% increase in the Federal deficit as a percent of GDP the rate on 10-year bonds increases by more than 2%.

**Federal Debt is \$18,000 Per American.** The national debt now stands at \$4.9 trillion—over \$18,000 for every man, woman, and child in America.

**Deficit to top \$460 Billion by 2005.** Without action, the Congressional Budget Office in August 1995 projected that total Federal deficit would be \$288 billion in the year 2000 and continue upward to \$462 billion by 2005.

**Servicing Debt Costs \$800 per American.** In 1994, Americans paid an average of about \$800 per person just to service interest on the debt.

**Today's Newborn Owes \$187,000.** A child born today can expect to pay \$187,000 in taxes over his or her lifetime just to pay interest on the national debt.

**Interest Payments are Major Expense.** Net interest payments, the result of past budget deficits, are the third largest Federal expenditure and account for over 15% of all Federal spending.

**Interest on Federal Debt Crowds Out Other Spending.** In 1994, the Federal government spent \$203 billion in interest on the national debt—more than it spent on such important programs as education, job training, public works and child nutrition combined.

**Interest Payments to Increase by Greater Than 50% by 2000.** By the year 2000, annual interest payments on the Federal debt are projected to increase to approximately \$305 billion—a greater than 50% increase.

**By 2000, Defense Spending Surpassed By Interest Payments.** By 2000, net interest paid on the national debt will sur-

pass defense spending and is projected to become the second largest Federal expenditure, after Social Security.

**Budget Not Balanced By Closing Federal Agencies Alone.** By 2012, unless appropriate changes are made, the government could close all Federal prisons, national parks, the Pentagon and eliminate spending on roads, bridges, education and R&D. These changes would still not be enough to eliminate the deficit.

**By 2012, Entitlements Will Consume All Tax Revenues.** By 2012, unless appropriate policy changes are made, projected spending on entitlement programs and interest on the debt will grow so rapidly that they will consume all tax revenues collected by the Federal Government.

**Balanced Budget Reduces Interest Rates.** The Congressional Budget Office predicts that a balanced budget by 2002 would help reduce interest rates by between 1 and 2%.

**Lower Interest Rates Mean a Stronger Economy.** The Joint Economic Committee estimates that a 2% drop in interest rates would create 4.25 million more U.S. jobs in 10 years and boost per capita income by more than 16%.

**Home Mortgages More Affordable.** Balancing the budget by 2002 means that a 2% reduction of interest rates on a typical 30-year \$80,000 home mortgage would save American home buyers \$107 each month and \$38,653 over the life of the mortgage.

**Delay Means Impossible Choices.** In 2030, to bring the deficit down to the current level, the Bipartisan Commission on Entitlement and Tax Reform concluded: either all Federal taxes would have to be increased by 85% or all Federal spending programs would have to be cut in half.

FROM "The Coalition for CHANGE"

## New Green Bay Police Chief James Lewis to address March 19, BCTA meeting.

Green Bay Chief of Police James Lewis will address our March 21, monthly business meeting.

All members of the BCTA, their guests and any interested parties are invited to attend. Our meetings begin at 12:00 noon at the DAYS INN - Downtown, and the cost is \$6.25 per person.

Space is somewhat limited, and we ask that you call **469-7373** for reservations.

## TAX FREEDOM DAY. Get Ready to Celebrate.

One way of illustrating your tax burden is to calculate the time an average employee would work before his or her taxes are paid for the year. The point where that occurs is "Tax Freedom Day," after which the money earned is for the worker's own use.

According to the Tax Foundation, the average U. S. employee in 1995 had to work up to May 6, in order to pay all federal, state and local taxes for the year.

While federal taxes are uniform, state and local taxes vary, thereby resulting in a different Tax Freedom Day in each state. The earliest date, indicating the lowest tax burden was April 14, in Alaska and the latest day was May 24, in Connecticut.

Because Wisconsin has above-average taxes, its Tax Freedom Day in 1995 was May 11, or 5 days more than the national average. We were tied with Vermont and Washington for having the 6th longest wait for Tax Freedom.

Of our neighboring states, only Minnesota had a longer wait, until May 14, while Illinois "celebrated" on May 8, Iowa on May 6, and Michigan on May 2.

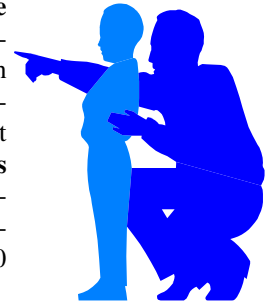
From "The Wisconsin Taxpayer", published by the Wisconsin Taxpayers Alliance.

"Money often costs too much."

## Often, Government is not the Answer.

Many times, community needs are met or problems solved through volunteer, non-governmental initiatives. Four conservative state legislators, including former BCTA Director Mark Green, have launched an awards program to recognize such initiatives that meet community needs in innovative ways. The program, named "*Torch Bearers*". will periodically provide public recognition to such non-bureaucratic, volunteer programs in the hope they that they will become benchmarks for communities across the state.

The first three recipients of this award were the **Eau Claire Soup Kitchen**, which is run entirely by volunteers feeding 60-80 unfortunate people each day. **Freedom House**, a Green Bay homeless shelter, which also helps individuals find employment and housing and has helped over 120 families since it was organized in 1992, and the Milwaukee-based **Partners Advancing Values in Education (PAVE)**, which is a coalition of concerned groups providing educational grants for children to attend the school of their choice and has assisted 2400 students to date. None of these programs used public funding.



Representative Green, who originated the idea of the program, asks that anybody wishing to nominate a project should write to: *Torch Bearers, c/o Rep. Mark Green, P.O. Box 8952, Madison, WI 53708-8952 or call (608) 266-5840.*

## Representatives Seek Ways to Improve Urban Areas.

Representatives Carol Kelso and Mark Green have sent letters along with a questionnaire to local government officials and business leaders seeking input on ways to improve relationships between the state and local governments.

One area of particular concern to local governments has been the large number of unfunded mandates imposed by the state in recent years, and this will give them an opportunity to identify those which are creating the biggest problems.

They also ask to identify the three most effective and least effective state funded programs in their communities as well as state statutes which impose unnecessary burdens.

The results should be interesting....

"The best way to get a bad law repealed is to enforce it strictly."  
 . . . . Abraham Lincoln

## Needed: A few good people.

A volunteer organization such as the Brown County Taxpayers Association can only be as good as its members.

Although our membership numbers and support have been strong, getting volunteers to participate on our various committees is another problem. We have active committees and chairs in the following: **Schools, County/Municipal, State/Federal and Membership.**

Each area has a lot of ground to cover for our organization to remain effective. Some of the committee duties include research, attending public meetings, making reports at our business meetings, and writing articles for the "*TAX TIMES*."

Our monthly meetings are open to all of our membership. If you would like to find out more about what the BCTA does and can do, attend a meeting and speak up. We would like to hear from you. . .

## **BCTA Meeting Schedule**

**Tuesday - March 19, 1996, Election Day, Get Out and Vote !**

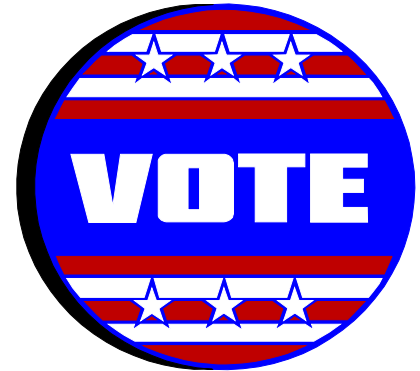
**Thursday - March 21, 1996, DAYS INN - Downtown**  
12:00 Noon - Monthly Business Meeting  
Green Bay Police Chief James Lewis - Speaker

**Thursday - April 18, 1996, DAYS INN - Downtown**  
12:00 Noon - Monthly Business Meeting

**Thursday - May 16, 1996, DAYS INN - Downtown**  
12:00 Noon - Monthly Business Meeting.

**Cost - \$6.25 per meeting - Payable at door.**  
**Call 469-7373 for reservations. (Leave Message)**

**All members of the BCTA, their guests, and other interested parties are invited to attend and participate in these open meetings.**



**Tuesday,  
March 19**

**Your Vote  
Does Count !**

## **The TAX TIMES**

**BROWN COUNTY TAXPAYERS ASSOCIATION**  
**P. O. Box 684**  
**GREEN BAY, WI 54305-0684**

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and Much, Much More.