
◆ The TAX TIMES ◆

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Tax News and Views in Plain English

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ARE BICYCLE PATHS THAT IMPORTANT?

With all the talk of the Convention Center/Arena and the privatization of the parking facilities, there is still at least one other activity that will dramatically impact our property taxes if nothing happens. The County is reviewing a draft to update the County bicycle and pedestrian plan. This draft, if adopted will cost us taxpayers a great deal of money.

Road repairs are now funded depending upon who owns the road. Municipal roads are the responsibility of the municipality(local property tax). County roads are the responsibility of the County and are paid for on a 50/50 basis between the county and the municipality(property tax). State and federal roads use money from the gasoline tax to make their repairs. The County will request funds for repairs to major roads (Oneida Street) from the federal government and these grants help reduce the local burden.

The draft for the bicycle and pedestrian plan update is 82 pages and includes 35 pages of roadway changes to accommodate bicycles and pedestrians. These changes range from adding stripes to roadways to adding additional width of paved roadway. The recommended width for the bicycle paths is an additional four(4) feet of each side of the road. Many of the road upgrades include this addition when roads are repaired.

How much will the plan cost? No estimate of the cost has been made. However, the cost for the adding of a four (4) foot section to each side of the road during reconstruction of an existing road is an additional 20% according to Roger Kolb, Commissioner of the County Highway Department. For a section of Packerland drive from Cormier Road to Waube Lane, this additional cost is \$175,000. These dollars will come from property taxes for Brown County, Ashwaubenon and Hobart.

I would hope that the people doing the planning look at the total cost of this project and review each section of upgrade prior to completion. I concur with the goal to create a system at minimal cost, yet have a difficult time understanding why the proposed system is so large.

Taking property tax dollars and using them to fund bicycle paths seems a bit much for the average taxpayer to fund. The current plan needs to have a cost estimate put together. That cost figure should be for repair with and without bicycles paths. Only then can an educated community make a choice on the cost of a repair. Tax dollars from gasoline are intended to improve roads and to use them to add bicycle lanes is not appropriate. With the stated upgrade cost being 20% higher, it would appear that only 80% of the road repairs will be completed for a given year. Our roads are in need of repair and bicycle paths should not limit the magnitude of this repair. How much gas tax do bicycles pay anyhow?

*Frank Bennett, President
Brown County Taxpayers Association*

The BROWN COUNTY TAXPAYERS ASSOCIATION

\$500 Billion in New Taxes?

By Michael Riley

For the first time in nearly 30 years, the 1998 federal budget will run a surplus, mainly because of our hard charging economy, which means taxpayers are putting even more dollars into the federal coffers. The Congressional Budget Office estimates roughly a \$50 Billion surplus for fiscal 1998, which ends Sept. 30, 1998.

And, with a surplus, you'd think the days of Congress hitting us with new taxes would be over - - or at least they'd give us a little break.

But sadly, that is not the case. In fact, **there is legislation before Congress to raise \$500 Billion in new taxes.** Yes, half a trillion dollars right out of the taxpayers pocket. And this bill has already made it through one key vote in the U.S. Senate.

What I'm talking about is the new tax on tobacco products that would hike federal excise taxes by \$1.10 per pack in just three years. That's a gigantic hit on the pocket-books of 25% of American taxpayers. For the millions of Americans who choose to use these legal products, this represents direct financial punishment, since it is clear that the federal government is not starved for cash.

And the worst part is what level of taxpayer is affected. Economic studies show that 47% of this new tax will be paid by those making \$30,000 per year or less. It's only common sense that lower income people pay a much greater percentage of their income in taxes, than do those who make much more.

The taxpayers of Wisconsin should rise up against this outrage because it simply is wrong to set aside one class for financial punishment while others are unaffected. We certainly do not defend the habit of smoking tobacco products and the related health care and other problems created accordingly. We question, however, if sharply increasing taxes, as in this case, is designed to and will have the effect of reducing the problem or is simply intended to put more money in the federal treasury.

If you agree, please call or write your congressmen and U. S. Senators quickly and let them know how much you oppose any new taxes - - especially when we have a surplus in Washington.

Michael Riley, Taxpayers Network, Inc.

New Phone Number for U. S. Capitol Switchboard.

The U. S. Capitol telephone number for calls to any member of Congress or the U. S. Senate in Washington is **(800) 504-0031**. We previously had listed this number as (800) 522-6721 which may still work. The mailing address for U. S. Senators is:

U. S. Senate, Washington, DC 20510,

and for U. S. Representatives, it is:

U. S. House, Washington, DC 20515.

"Nothing is so abject and pathetic as a politician who has lost his job save only a retired stud horse." H. L. Mencken

Federation of Wisconsin Taxpayer Organizations Concerned With Global Climate Treaty.

The Federation of Wisconsin Taxpayers Organizations, Inc., (FWTO), of which the Brown County Taxpayers Association is a member, has been invited and agreed to join a broad-based coalition of national business, labor, environmental and academic groups who are concerned about the inequities and severe negative impact that the **Global Climate Treaty**, (Kyoto Protocol), will have on every state in the union. According to a study conducted by Wharton Econometrics Forecasting Assoc. (WEFA), Wisconsin alone will suffer the loss of \$475 million in revenues by the year 2010. The so called Kyoto Protocol developed last December at an environmental summit in Japan is **WRONG** on the science - **WRONG** in its approach, and will lower American standard of living while accelerating taxes in an unbelieving upward spiral. Wisconsin taxpayers will be hit twice; once by higher fuel and energy costs and again by higher taxes.

President Clinton attended the conference and signed the treaty on behalf of the U. S. It still has to be ratified. Senate resolution 98, which passed 95-0 made two very specific stipulations about the treaty: it should apply to all nations, and not harm the American economy. 129 of 173 nations, including China, India and Mexico, are exempt from provisions of the treaty, while the U. S. would be required to cut energy use by 30%. Accordingly, energy prices would rise sharply, and the economy could suffer immense damage. For a treaty that will produce little or no environmental benefit.

- ◆ **Will the Kyoto treaty reduce the overall level of Greenhouse gases?** At best minimally. Man-made greenhouse gases, which many blame for climate change, account for only 4% of total greenhouse gases in the atmosphere.
- ◆ **How will the treaty be enforced?** No one knows as yet. It will possibly be unenforceable.
- ◆ **Will developing countries eventually participate?** So far, countries such as China, India and Brazil which represent 40% of the world's population have refused to take part. Most of the presently industrialized nations have already committed to reducing greenhouse gases on their own, so there is little incentive for developing nations to join, or invest in environmental control technology.
- ◆ **How accurate are the Clinton Administration estimates on the potential costs of the treaty?** The administration has pegged its cost estimates for the Kyoto treaty to predicted savings from deregulation of the electric utility industry. White House economic advisers argue that the savings from the deregulation will offset higher power and gasoline costs and economic dislocation resulting from implementation of the treaty.

We realize this is a very complex issue, as we are all concerned with saving the environment and conserving our natural resources. However, the consequences could be devastating, and it will be important to let our representatives know your thoughts.

Material from the FWTO.

What do You Believe?

If you follow the news at all, you probably noticed three stories which appeared on the same day recently. The first concerned the fact that the internet was vulnerable to hackers who could cause immense damage to the entire system if they so desired. There were several examples given of youngsters with the computer expertise to obtain access to supposedly secure systems and in general, cause all sorts of mischief. It is definitely something to be concerned about.

Next there was the disclosure that during the most recent Persian Gulf buildup, it was determined that the Pentagon's computer system had been breached, with the extent of damage done or security information exposed unknown.

The final item was about how the government was proceeding with all possible haste in their suit against Microsoft Corp., and that 20 or so states, including Wisconsin, were climbing on the bandwagon to get some of the action.

As stated in previous *"TAX TIMES"*, we do not necessarily defend the Microsoft Corp., and realize this is a complex issue with two sides. However, it is difficult to find fault with an enterprise that has added so much to the technology that has created our recent prosperity. Hundreds of lawyers will get rich before this one is settled. Right or wrong, it would seem that if anyone could make the internet workable and our defense computers secure it would be the people at Microsoft. It doesn't make sense that while the justice department is approving megamergers that could very well effect how business is conducted, they are spending taxpayer money trying to build a case with a possible lose, lose ending.

This is a taxpayer issue. Billions of dollars in taxes are paid by Microsoft employees and investors, not to mention the prosperity of all of the users of their products, and other manufactures of software. What do you think? **JF**

"Governments will always do the right thing — after they have exhausted all other possibilities."

Sell The Parking Ramps? What Do You Think?

Recently the City of Green Bay approved negotiations exploring the possibility of selling its downtown parking ramps and lots, and leasing its existing parking meters to a private enterprise. Possible advantages of such a plan to the city would be a lump sum payment of cash which could be applied to other purposes, including the possibility of property tax relief. The existing debt on parking facilities would supposedly be eliminated as a money-losing liability, and the parking ramps would be placed on the tax rolls the same as any other private business property. Provisions would be made in the contracts to provide for additional parking facilities as needed, as well as necessary maintenance, etc. Present parking utility employees would work for the new owner, and management of the utility would no longer be the cities responsibility.

Possible disadvantages to users of the facilities (taxpayers) would be sharply increased parking fees, which would be controlled by a private organization with the intent of making a profit for its shareholders. This could possibly discourage certain downtown business that already face competition from outlying areas with free parking. Would the city be able to work with a private investor as time goes by and needs and conditions change? Does it make sense to pour millions of dollars of taxpayer money into the area and possibly discourage use or private investment by expensive or unpopular parking facilities? Would there truly be an advantage to the citizens and business community as touted, or would this be another questionable money-wasting venture?

The Brown County Taxpayers Association has generally supported and encouraged privatization of government facilities and services whenever possible and practical. We appreciate that the underlying purpose is to save money and have confidence in Mayor Jadin and the city council to thoroughly examine all aspects of this proposal, which could have a dramatic impact on the future of the downtown and Broadway areas of Green Bay. We believe this is an important taxpayer issue, as it involves large amounts of public money as well as having a potential favorable or unfavorable effect on future private investment.

Realizing there are many pros and cons to be considered, the BCTA is proposing sponsoring a public debate, possibly involving downtown business establishments and city officials to hear both sides of the story. In order to obtain the thoughts of our members and other readers on this subject, we have enclosed a brief questionnaire in this *"TAX TIMES"*. We would appreciate if you would complete it, giving all considerations to the space limitations imposed by the rivers and traffic patterns, add your comments and suggestions, and return it to us at P. O. Box 684, by the end of June so that we may give a report in the next issue.

Thank you.

BCTA GOING ON THE INTERNET!

Thanks to the computer expertise of Rob Miller, the BCTA is in the process of designing an interactive web page and will be available to you on the internet. Although there are still a couple of bugs to be worked out, it is anticipated our website will be ready within a few days @ WWW.BCTAxpayers.Org

We anticipate being able to conduct surveys of taxpayer interest such as that in the above article, as well as communicate more effectively with our members and become more active as an organization.

"Consider one of the most perplexing questions of our time: Where do solutions to problems go when a candidate gets elected?"

Get Government Out of Unemployment Insurance?

Reformers question the federal government's role in the unemployment insurance system. They contend that it - - like Social Security - - has resulted in many unforeseen and undesirable economic consequences.

- ◆ While the payroll taxes that support unemployment insurance are levied on employers, the cost is ultimately passed on to employees. Since many of them never collect anything from it, it is a wealth distribution system mainly benefiting workers in cyclical and seasonal industries.
- ◆ The prospect of being cared for by the government in the event of job loss does nothing to encourage workers to save as a precautionary measure - indeed, prompts them to spend more.
- ◆ The subsidy to unemployed workers reduces their incentive to search diligently for a job = while also subsidizing high-turnover employers.
- ◆ When unemployment is low, as it has been in recent years, large unemployment insurance surpluses accumulate in federal coffers and are then "invested" in federal debt securities - which allows officials to promote the fiction that the budget is just about to balance, then embark on a new round of spending.

It has been suggested that rather than forcing some workers to subsidize others, all workers should be allowed to establish their own Individual Unemployment Accounts. (IPA)

Source: National Center for Policy Analysis, through Taxpayers Network, Inc.

"A fair tax is one that's equally painful to everybody."

. . . . Cullen Hightower

"I have never been hurt by anything I didn't say." Calvin Coolidge

Guide to Federal Government Antitrust Principles.

If a company raises prices, *it is guilty of gouging customers.*

If a company cuts prices, *it is guilty of predatory practices.*

If a company keeps prices level, *it is clearly guilty—explicitly or implicitly—of some sort of collusion with competitors.* Forbes

Wisconsin Residents Big Losers in Federal-State Balance of Payments.

Wisconsin residents and businesses paid \$5.4 billion more in federal taxes in fiscal 1996 than was returned to us in federal spending. The difference between what the federal government collects in taxes and what is returned through wages, payments to individuals, procurement and other spending is called the federal-state balance of payments, (BOP).

States that pay more in federal taxes than they receive in federal outlays are considered by Washington as "donor" states, while states that pay less in taxes in relation to outlays are "recipient" states. (*It is not clear what they call foreign countries receiving aid, which residents of all states pay for.*)

Wisconsin has consistently been a donor state, ranking low on the balance of payment list. The BOP deficit was \$1,038 per capita in 1996, which means each resident of Wisconsin paid \$1,038 more in taxes than was returned in federal spending.

Obviously poorer states tend to receive more aid as well those with a heavy concentration of federal facilities. For example, in 1996 New Mexico received a SURPLUS of \$3,262 per capita, followed by Mississippi at \$2,397 and Virginia at \$2,302.

How is it that Wisconsin gets short-changed? High federal taxes are not the problem. At \$4,807 in collections per resident, we rank 19th, or just below the national average. The problem is on the expenditure side of the ledger. The following chart indicates what we receive per capita compared to the national average.

State policymakers have

questioned the long-term impact of this situation. The Wisconsin, the cumulative effect of 16 years of BOP deficits has been to remove \$63.9 billion from the states economy. Reauthorization of federal highway programs could spell some relief for Wisconsin. However, even a 100% return of federal gas taxes in the form of highway funding would unlikely make much of a dent in the overall balance of federal-state payments.

Some comfort can be gained by knowing that New Jersey, and Connecticut, the state with the highest per capita tax burden (*see article on next page*) also have the highest donor balance to the government at about \$2,000 per resident.

We fully realize that much of this imbalance is caused by necessary national defense and programs from which we all benefit which cannot be conveniently sited in Wisconsin. However, we would probably benefit the most if rather than lobbying our representatives to have more money spent here, they simply concentrated on spending and wasting less money overall. Do you agree?

The Wisconsin Taxpayer, April, 1998.
Printed by the Wisconsin Taxpayers Alliance,
Madison, WI 53703-3694.

Taxes Rise Faster Than Income.

According to a national tax policy publication, 1997 state tax collections in Wisconsin increased 2% faster than personal income — the result of a progressive tax system that automatically generates more revenue when the economy is expanding.

Comparable "excess increases" in neighboring states were Minnesota, 4.9%, Michigan, 1.6%, and Illinois and Iowa at 0.6%. Nationally, 33 states saw tax burdens rise faster than personal income while traditionally high-taxed New York and New Jersey registered decreases of 3% or more. (*Wis. Taxpayer*)

"We might come closer to balancing the budget if all of us lived closer to the Ten Commandments and the Golden Rule." Ronald Reagan

TAXPAYER'S DAY OF REST.

On the 130th day, U. S. Taxpayers can rest. That's the day, Sunday, May 10, 1998 — by which Americans on average will have earned enough money to pay their tax bills for the year.

Unfortunately the taxpayers of Wisconsin had to wait until May 17, or one more week than the national average before their tax burden was paid. In other words, all of the money you and I earned prior to May 17 of this year goes to pay federal, state and local taxes, and everything earned after that date you get to keep.

The only state whose citizens have to work longer to pay their taxes is Connecticut, who went all the way to May 26. The per capita total taxes in that state average \$15,525 vs. \$9,897 in Wisconsin. However, the average per capita income in Connecticut is \$38,964, or \$12,465 more than the \$26,499 Wisconsin average.

The Tax Foundation, based in Washington, D.C., also reports that Wisconsin citizens pay an average of 37.3% of their income to taxes, again second only to Connecticut at 39.8%. Connecticut has the highest per capita income in the U.S. which generally places them in higher tax brackets.

Wisconsin pays the second highest per capita state and local taxes at 13.5%, while New York is the highest at 13.6%. The United States average is 11.4%.

Defenders of the status quo are always quick to point out the standard of living and services provided by government in Wisconsin justifies the taxes we are paying. No one can deny this is a great place to live, but are our schools, highways, police and fire services, recreation facilities, infrastructure and everything else we are paying for at such a high rate truly the best or second best in the nation?

This is an election year, and it is important that you ask candidates seeking to go to Madison or Washington how they propose paying for all of the things they promise for us if elected.

The complete table of total taxes per capita, state and local taxes, per capita income by state and taxes as a percentage of income by state for 1998 is included in the June issue of "*Taxpayers Network bimonthly*", N248 Washington Ave., Cedarburg, WI 53012-2768. Phone (414) 375-4190. A copy will be sent at your request.



MAY MEETING NOTES.

Meeting held at the DAYS INN - Downtown, Thursday, May 21, 1998.

Jerry Slavik introduced State Representative Mark Green, and Mr. Chuck Dettman, candidates for the Eighth Wisconsin congressional seat. Rep. Green stated his reasons for seeking this post were that his experience and legislative record in Madison gave him the desire and qualifications to seek higher office on behalf of the residents of the district. He pointed out that while federal taxes are now the highest since WW2, Wisconsin is not receiving a fair share of federal benefits. The "Taxpayer Relief Act" of 1998 added 820 pages to the IRS code, and he favors scrapping the code and developing alternatives we can all live with. He believes in a balanced federal budget and that taxes should not be raised without a 2/3 congressional approval.

Mr. Dettman told of his business background and experiences in dealing with the federal government. He believes that the house of representatives should be elected from the private sector in order to truly represent the people of the district. Business experience is a very valuable asset in Washington. He thought there should be more honesty in the federal budget, and that rules of ethics as established by the constitution should be followed more closely. He stated he is not interested in receiving outside money for his campaign as there are always strings attached and debts to be paid.

Discussion was held regarding the proposed sale of the Green Bay parking facilities to a private enterprise. Alderman Tony Theisen explained there could be substantial cash advantages to the city under the proposals being discussed. Examples were that as a private operation it would be subject to property taxes, and the city would no longer have to subsidize the present parking utility. Proceeds from the sale could reduce other budget items such as downtown improvements. The board decided to sponsor a public debate on the subject as soon as possible. It was felt that input from downtown business establishments should also be solicited.

A proposed bicycle trail plan for the county was discussed. It is estimated that this plan could add as much as 20% to the cost of highway construction and improvement, and more information will be obtained for review.

Mike Riley of Taxpayers Network, Inc., presented a flow chart illustrating how the proposed National Tobacco Policy and Youth Smoking Reduction Act is supposed to work. Also information on individual social security accounts which are being proposed by a number of congressmen as a solution to future financing of that system. (see other articles in this TAX TIMES).

The next BCTA meeting is scheduled for Thursday, June 18, 1998.

David Nelson - Secretary

Renew your BCTA Membership.

We will soon be sending renewal notices to BCTA members who's memberships come due in June, July and August. We will also send reminders to those who have not renewed to date. It is encouraging that many of our members have supported the BCTA since we organized 13 years ago. We appreciate that it is difficult for many of our members to attend our monthly meetings and become active on committees, but as you all realize, there is plenty of work to be done.

"It is better to debate a question without settling it, than to settle a question without debating it."

. . . Joseph Joubert

BCTA Meeting & Events Schedule

Thursday - June 18, 1998 - DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting
(Discussion of downtown parking debate, other items of unfinished business)

Thursday - July 16, 1998 - DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting

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

Phone 499-0768, 499-7866, or 336-6410 for information.

All meetings will be at the DAYS INN - Downtown (East Room) at 12:00 Noon. Price, \$6.50* per meeting. (Payable at door)

* includes hot buffet with all the trimmings.

"In this world nothing can be said to be certain except death and taxes."

. . . Benjamin Franklin

"An editor is someone who separates the wheat from the chaff, and then prints the chaff." . . . **Adlai Stevenson**

"A political leader must keep looking over his shoulder all the time to see if the boys are still there. If they aren't still there, he's no longer a political leader." . . . **Bernard Baruch**

"A banker is a fellow who lends you his umbrella when the sun is shining and wants it back the minute it starts to



SURVEY ENCLOSED !

Let us know what you think of proposal to sell Green Bay parking ramps.

Comments and articles in this newsletter do not necessarily reflect the position of the Brown County Taxpayers Association. Comments and material for publication from our readers is always welcome.

The TAX TIMES

Brown County Taxpayers Association
P. O. Box 684
Green Bay, WI 54305-684

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