
◆ The TAX TIMES ◆

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Tax News and Views in Plain English

November, 1998

IS IT TIME TO VOTE ALREADY?

Come November 3rd, we are asked to cast our ballots for the future of our country, state, and municipality. This year is an exceptional one in that so much of what is going on is partisan politics. We are being bombarded with TV commercials about the candidates and receiving junk mail from various political groups and hearing radio commercials for local contests.

How much of this information is true and how much is spin is what we need to figure out? One thing is for sure, it is time to **GET OUT AND VOTE!**

One consideration is integrity. Do the candidates tell the truth or is there a spin on the subject. Will people who lie at election time be honest enough to vote for what we want when elected? When Jay Johnson says Mark Green voted for a big tax cut for the rich and lists the bill number of an across the board tax cut, is that telling the truth? Where does the truth stop and the spin begin?

We sometimes have a chance to compare voting records to compare candidates. This is a good time to check to see if the rhetoric matches the vote. I watched a debate and heard Russ Feingold say he and Mark Neumann had the same opinion of partial birth abortion, yet they voted completely opposite when the vote was taken. We need to be aware of the difference between the rhetoric and the record.

Many of us watch polls for various reasons. I have come to the conclusion that I can hire a polling company to conduct a poll and give me what I want as an outcome. This modern day technology and spin on questions can accurately predict nothing. Polls are to be taken for what they are, a response designed to produce a specific outcome.

The ballot this year will include two referendums in addition to the elections. One will ask us if we want an amendment to the State Constitution for the “right to keep and bear arms for ...”. The other will ask us if we “favor a new Arena and expanded Convention Center, as long as no property taxes or sales taxes are used for the construction of the projects?” These are both emotional issues with many people and a process of thinking through the facts for each of these questions is important prior to entering the voting booth.

Nobody said voting would be easy and everybody says voting is important. So please vote on this election day.

Frank S. Bennett, President

The BROWN COUNTY TAXPAYERS ASSOCIATION

Can You Explain Our Tax System To Others?

One of our BCTA members gave me a call recently regarding two teachers from the Ukraine he was hosting who were visiting our country on an exchange program as guests of the State Department and St. Norbert's College.

Although their main purpose was learning and observing our primary and middle schools, they also found many other facets of life in America from watching the Packers play while sitting in a rainstorm to comparisons of economic systems between our two countries interesting.

One item, which gained their particular attention, was our system of taxes, and how it related to the average citizen. Apparently this was a concept that is not as well established or accepted by the average Ukrainian as it is here. Accordingly they prepared a list of questions for me to answer.

1. What role taxes play in the life of Americans.
2. The types of taxes (Where and for what.)
3. The % amount of taxes paid by an average American Family.
4. The distribution of "Tax Money."
5. Who decides and determines the amount of money given for education.
6. Charity funds and other activities and their interrelation with taxes.
7. Legal punishments for not paying taxes.
8. The tax form and what's involved.

There obviously was a lot of ground to cover in a couple of hour's time. I assumed that their system is more centralized than ours, with most taxes going to and benefits coming from a central government. Therefore I showed them a U.S. map, and as best I could explain the various federal taxes and benefits provided such as national defense on down that are provided accordingly. Next we showed a map of Wisconsin and the major taxing methods used by the state along with the areas of responsibility that our taxes provide for.

The next units of governments covered were the county, school districts and municipalities, and how their de-

mands for monies depend largely upon the property tax. Insofar as property ownership is not common to our visitors, the methods of property valuation and equitable distribution of tax liability took some explanation. Apparently tax evasion is more common in their country, and they asked many questions regarding compliance, penalties and legal exceptions from tax laws. I told them that although there is a large amount of potential taxes which are not collected here, largely through illegal activity, most Americans do comply with the system. I explained that most people seem to want and expect a large spectrum of government benefits and realize that they are supported by the taxes they pay.

I provided them with copies of federal tax forms and instructions as "homework", along with a copy of the Wisconsin Taxpayers Alliance "TAXES", which manages to list most of the taxes we pay, both up-front and hidden. They had attended the groundbreaking ceremony at Bayport High School, and wanted to know if \$35,000,000 was a fair price for a new school. I also was able to explain that taxpayers do have a say in new school construction and school costs through spending limits and referendums. Also, we do have the opportunity to approve or disapprove of spending by our elected officials when they run for re-election.

Although my answers to their questions may not have been completely understandable to our visitors, I realized what a complex mess our tax system really is. In an election year do taxpayers know who is responsible for taxing and spending what?

One final note. While our politicians talk about revising tax forms and simplification, their system seems to be perfected. As I understood them, they do let their employers know the number of dependents that they have, and deductions for taxes are made from their wages accordingly. That's it, period. They apparently have no #1040 equivalents to file at the end of the year. No other deductions are considered, and it is likely

any other income is not reported. They undoubtedly have a VAT of some sort and other taxes but I got the impression that tax accounting is not a lucrative occupation in the Ukraine.

Jim Frink

Are Motor Vehicle Registration Fees Considered Taxes?

We realize that the Wisconsin Dept. of Transportation has no trouble making a case for increased revenues, and every year seems to bring an increase in gasoline taxes, while at the same time they keep pushing back their timetables for completion of scheduled highway improvements.

While we are being reminded by those seeking re-election that taxes have been reduced in Wisconsin, there are still enhancements being made that suggest the opposite. An example is the increase to \$45 for the annual automobile registration, an increase of 12.5% over the previous year. It does not seem too long ago that the fee was raised from \$15 to \$18 to "cover the cost" of reflectorized license plates. We used to get new plates every year at that time also while now we receive a little postage stamp size sticker. We realize that the expense of running our government must be met, but it seems that at times the excuse that prices haven't been increased for a certain period of time is used for an excuse rather than necessity. It wouldn't work in private business. JF

"Get your facts first, and then you can distort them as much as you please." . . . Mark Twain

"Great men are not chosen President, firstly, because great men are rare in politics; secondly, because the method of choice does not bring them to the top; thirdly, because they are not in quiet times, absolutely necessary." . . . James Bryce
(English Historian - 1888)

1998 ANNUAL MEETING NOTES.

The BCTA annual meeting was scheduled to be a debate between Congressman Jay Johnson and his challenger, state Representative Mark Green. Unfortunately Mr. Johnson was in Washington, D.C. on the day of the meeting. Mark Green was present and willing to address the meeting.

Representative Green began by recounting his ten year association with the BCTA. He explained that his participation in BCTA activities fueled his interest in running for public office. Prior to his election to the Assembly in 1992, he chaired the BCTA's County and Municipal Committee, gaining knowledge of local government activities that would prove to be valuable during his six years in the Assembly.

Mark outlined the key issues of his campaign for the House of Representatives. Americans presently have the highest tax burden since World War II. Taxes now equal what a family pays for food plus shelter plus clothing. Businesses pay \$5 billion to comply with the tax code. The 1997 Taxpayer Relief Act added 820 pages to the tax code, making it even more complex. We need to replace the income tax code because it is beyond repair.

Representative Green stated that he wants a flatter tax structure with deductions for health insurance and exemptions for home mortgages, which support the economy. He opposes the marriage penalty. He feels that we need a vigorous national debate concerning the concept of a national sales tax.

Mark related that crime was his highest priority in the Assembly. He believes that local communities must be the front line against crime. As gangs have interconnections and associations that extend across the country, we need a national database for gangs.

He explained his concerns about restoring our national defense to the level of

strength it maintained during previous administrations. He is especially concerned about low morale among service members and the eroding capabilities of our intelligence agencies.

President Frank Bennett thanked Representative Green for his remarks and then recognized the state legislators and city and county officials present.

Explaining that BCTA activities are totally dependent upon volunteer efforts, President Bennett presented a plaque to Jim Frink honoring his extensive contributions as editor of the TAX TIMES. He commended Jim for his outstanding work, which has made the TAX TIMES a truly professional publication, providing an authoritative voice for taxpayer concerns.

Nominating Committee Chair Rod Goldhahn presented a slate of candidates for election to the BCTA Board of Directors. Elected to three-year terms were John Beckman, Jim Derbique, Jim Frink, Richard Parins, Dave Nelson, and John Gower.

Dave Nelson - Secretary

Voters to Have Opportunity to Speak on New Arena.

We strongly support putting the Arena and Convention Center question before Brown County voters in a referendum, and hopefully *they* will decide this issue based on its own merit. Our position has supported the concept of constructing these facilities without sales or property tax dollars.

Although the referendum question does not specify a limit to be spent, who will be at risk to guarantee the financing of these projects, or who will be responsible for ongoing costs after construction, we agree that it is a good idea to let the voters speak out at this time. Either put this issue to rest or continue planning. You decide.

JF

Saddling The Next Generation With Health Care Costs.

By the time today's college students retire, the federal government will be spending as much on medical bills for the elderly as it will on Social Security, according to an "intermediate" forecast by Medicare trustees. Their pessimistic scenario, which is probably more realistic, has Medicare spending one in five payroll dollars by 2045. With Social Security and other benefits, more than half of future taxpayers income will be needed just to pay benefits for the elderly.

To head off this calamity, John Goodman, president of the National Center for Policy Analysis, advocates moving rapidly to a fully funded retirement system in which each generation pays its own way. Using figures developed by Texas A&M economists, he points out that today's young people could replace Medicare with private insurance if they put about \$600 a year into private accounts. Their Medicare payroll tax could be reduced dollar-for-dollar.

Failing to act quickly to implement such a private plan leaves only the prospect of huge and probably uncollectable taxes, or severe rationing of health care for the elderly.

Source, Taxpayers Network, Inc, and the National Center for Policy Analysis.

Wisconsin Sending More Prisoners Out of State.

In September 1996, the Wisconsin legislature first approved sending 700 prisoners to Texas in an effort to alleviate prison crowding. Since then, the number of out-of-state contracts has grown to include private operations in Tennessee and Oklahoma.

Today, the Wisconsin Dept. of Corrections is authorized to send 3,500 male and female prisoners to institutions in Minnesota, Tennessee, Oklahoma, Virginia and Texas.

The Wisconsin TAXPAYER.

Letter From The Editor.

At our October 15, annual meeting, I was most honored and pleased to receive recognition from the other BCTA directors and membership for the "TAX TIMES." Since this was a complete surprise, and I admit to being a poor speaker, later reflection was that I should have expressed the following.

While the BCTA is not intended as a social organization and we normally do not make mushy speeches patting each other on the back at our functions, acknowledgement should have been made to our entire board of directors and officers of the BCTA rather than just myself.

I believe it was Henry Ford who said that if there was a difficult job to do, he would find the busiest person in his organization and ask him or her to do it. That person could organize and arrange their schedule accordingly. Such a person, as you probably know, is our president, Frank Bennett. He is very active in a number of civic organizations, as well as finding time for his family. He has willingly stepped forward to lead the BCTA and found the time to do whatever it takes to do the job properly. He has most effectively taken an active role on many current issues and has brought a lot of credit to our organization.

Past presidents Tom Sladek, Rob Miller and Rod Goldhahn have remained active in all of our current activities and their dedication and experience has been a great asset. Secretary Dave Nelson, in addition to maintaining our records always finds time to investigate and properly analyze any current issues of concern for group consideration and action.

Others of our membership have stepped forward from time to time to assist on special projects. However, as a volunteer organization, it is always necessary to recruit new members to keep the flag flying. We acknowledge that our committee structure needs a great deal of help to be more effective. We are now reorganizing for the coming fiscal year, and need leadership and assistance in our **schools, municipal and county, state, national, and membership/publicity** committees. Ideally these committees meet separately and report at our monthly membership meetings. Can you help us?

Please appreciate that the need for taxpayer organizations such as the BCTA is very real and that as a group we are able to accomplish more and be more effective than an individual. We appreciate all of our membership who support us, and sincerely attempt to reflect the opinions and interests of the majority. Simply put, our focus is on *fiscal responsibility in government*. Taxes take a great portion of our hard-earned income from us, and our concern is that we get what we are paying for.

We admit that sometimes our views or actions may not be the same as some of our membership - not any more than the politicians you have supported and elected to office always do what you think is right. We are always open to suggestions and criticism, and offer the "TAX TIMES" to reflect your thoughts.

Sincerely, Jim Frink

Nation's Largest Taxpayers Group Blasts

Bloated Budget Deal.

As is so common with the system in place, congress, with its many other distractions and desire to adjourn in order to get back home and seek reelection, hurriedly OK'd a 4,200 page budget bill for presentation to the President.

On October 19, the 300,000 member National Taxpayers Union (NTU), branded the Omnibus budget bill crafted by Congress and the White House "a bad deal for the nation's taxpayers."

"This bloated budget deal may leave special interests laughing all the way to the bank, but the real joke is on the overburdened American people," said NTU Director Eric Schlecht. "Mr. and Mrs. America, whom Congress brags about having protected will soon discover that "big spenders got the gravy, while Taxpayers got the shaft."

In a letter sent to Senate Majority Leader Lott and House Speaker Gingrich, Schlecht informed of NTU's intent to urge rank-and-file lawmakers to oppose the budget legislation. The group is also mounting an internet and talk radio blitz to inform citizens about the budget bill in the final days leading up to Congressional consideration.

The group argues that, "Instead of reducing the highest tax burden placed on Americans since World War II, Congress and the President have decided to give billions to the International Monetary Fund and United Nations, while throwing even more money at a broken educational system instead of reforming it. Washington seems to be spending money on everything but tax cuts."

Thank you to Mike Riley(TNI) and the National Taxpayers Union. The entire press release and information on the NTU is available at //WWW.ntu.org.

Notify BCTA of Address Changes.

The "TAX TIMES" is mailed to you at bulk postage rates. While this allows for a considerable savings in mailing expense, the Post Office does not forward this class or otherwise notify us if it has not been delivered.

Shortly we will begin mailing dues notices for the 1998-99 fiscal year, and will also ask for your full 11 digit ZIP code if available. We will also ask if you are on the Internet, as we are working on making the BCTA website more interactive.

"There is no dignity quite so impressive, and no independence quite so important, as living within your means." . . . Calvin Coolidge

"In politics, there is a cultivated distinction between lies and deceit." . . . Art Buck

How is The Poverty Level Measured?

According to the National Center for Policy Analysis (NCPA), the U.S. Census Bureau's definition of the poverty level is based on a calculation first made some 35 years ago by Mollie Orshansky, a Dept. of Agriculture researcher. Her date indicated low-income families spent about one-third of their income on food, so she took some figures on food consumption by low-income families and tripled them to get a crude poverty-level income.

To this date, the formula was never revised, updated, or reexamined. Instead, every year the Office of Management and Budget simply increases the previous year's poverty threshold by the rate of inflation.

The NCPA suggests that consumption would be more indicative of the true standard of living, and they point out the following.

- Among families defined as poor by the census, 41 percent own their own homes, 70 percent own a car and 27 percent own two or more cars. 97 percent have color TV's and 75 percent own VCRs.
- Based on ownership of microwave ovens, dishwashers and other consumer durables, inequality has been falling rather than rising, as argued by Fed. Reserve chairman Alan Greenspan in an Aug. 28, 1998 speech.
- Yearly variations in consumption are much less than those for income, so looking at consumption patterns tends to eliminate from poverty those people whose incomes are just temporarily low.

According to research by U. of Texas economist Daniel Slesnick, using consumption rather than income to calculate poverty could have the effect of reducing the number of people considered to be in poverty by about one fourth. Apparently it's all how you look at it.

More Random Thoughts.

We thank those in attendance at our Oct. 15, annual meeting, and apologize for not being able to present a debate as advertised. We think you will agree that it was important for Congressman Johnson to be in Washington as long as congress was in session debating the federal budget.

While the people in Washington are doing everything they can to make us believe the government operated with a surplus last year, (at least on paper), my thought is that most American taxpayers are far more concerned that their personal investments and retirement fund reserves retain their value, (at least on paper).

A very important election day, (Tuesday, Nov. 3) is quickly approaching, and we urge everyone to get out and vote their convictions. While campaign spending will possibly reach new highs, the biggest protest will probably be from those losers who determine their opponents were able to spend more money. Certainly radio, TV, and other advertising media shouldn't have anything to complain about.

It certainly is difficult to determine fact from fiction in the campaign ads we witness. It is probably just a matter of what or who you believe and your interpretation of how you will be represented after the election. One observation is that we hope the electorate understands the difference between a Congressman and a Senator, and the *tremendous* amount of influence and responsibility they carry. While the state and local campaigns have been fairly quiet, we hope people don't get the impression that Mr. Feingold is running against Mr. Johnson, or Mr. Green against Mr. Neuman.

The proposed Federal budget is now 4,200 pages long weighs about 40 pounds, stands 16 inches high and calls for spending **\$520 Billion**. There must be a lot of hiding places for pork in that one. There goes last years surplus.

JF

September Meeting Notes

Regular monthly meeting conducted at the Day's Inn-Downtown Sept.17, 1998.

State Representative Carol Kelso addressed the meeting, explaining her duties as chair of the Legislative Council. Rep. Kelso reported that she is chairing a committee on taxation, which is examining all taxation within the state. She noted that shared revenue, collected by the state and then returned to schools and local units of government, now amounts to 86 percent of state tax collections. Only 14 percent of state tax revenues are actually used to pay for state government operations.

With the massive amounts of state funds supporting schools and local units of government, problems arise because the people spending the money aren't the ones raising the money. After three years of the state's commitment to funding two-thirds of local school costs to reduce local property taxes, property taxes are getting back to where they were before the state began its major increase of school aids.

Rep. Kelso predicted that the legislature will be giving more taxing authority and less mandates to local units of government.

The next scheduled BCTA meeting will be the annual meeting October 15, 1998 at the DAYS INN. The scheduled program will be a debate between incumbent 8th District Congressman Jay Johnson and his opponent, State Representative Mark Green.

Dave Nelson - Secretary

tary

"Blessed are the young, for they shall inherit the National Debt."
... Herbert Hoover

"Poor planning on your part does not make it an emergency on my part."
... Sign in Post Office

"Bad officials are elected by good people who do not vote."
... George Nathan

BCTA Meeting & Events Schedule

- Tuesday - November 3, 1998. Election Day. U. S. Senate, Congress, State County Offices.
- Thursday - November 19, 1998 - DAYS INN - Downtown 12:00 Noon - Monthly Business Meeting.
- Thursday - November 26, 1998 - Thanksgiving Day Count Your Blessings.
- Thursday - December 17, 1998 - DAYS INN - Downtown 12:00 Noon - Monthly Business Meeting.

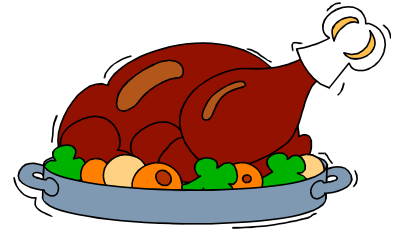
All members of the BCTA, their guests, and other interested persons are invited to attend and participate in these open meetings.

Phone 499-0768 or 336-6410 for information or reservations.

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.

November, 1998



Thanksgiving

"Why does a slight tax increase cost you two hundred dollars and a substantial tax cut save you thirty cents?" . . . Peg Bracken

"Too many people expect wonders from democracy when the most wonderful thing of all is just having it." . . . Walter Winchell

"When I was a boy, I was told that anybody could become President; I'm beginning to be-

The TAX TIMES

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