The TAX TIMES

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TAXPAYERS DESERVE TRUTH

Recent announcements by the FBI and the EPA have raised serious doubts about our institutions and their ability to deal with us taxpayers. The FBI announced it did send incendiary devices into the compound at Waco, and also insist that these devices were not the cause of the fire that killed so many people. The EPA indicated that employees at two different offices made false testimony in favor of the Oneida Nation when that Nation was seeking "treatment as a state" designation. The false testimony stemmed from created documents at two different offices to support their position.

The FBI is our enforcer. It is to enforce the laws of the land and to do so in manner above reproach. When this organization admits lying to us for a six year period, the leaders of that organization deserve our chastisement. The Attorney General of the United States is calling for an investigation of this matter and we hope it proceeds quickly. We deserve the TRUTH.

When employees create documents to support a specific political position and then testify using these documents to support the testimony, we should see these employees terminated and their supervisors also be given the boot. The EPA is to determine policy and to make decisions affecting our tax dollars that are based on facts; hard , cold, true facts. The dredging of the Fox River is meant to clean the river of harmful chemicals and to be done in the most cost effective manner. Are we sure the true facts were used in this situation? Are we to see the results of the dredging and believe these results to be true? Will we be able to believe the EPA next time? We deserve the TRUTH.

A little closer to home on honesty, we see even local newspapers allow distortions of the truth. The News-Chronicle has several writers for their editorial page and as such I thought we were getting diverse opinions all based upon facts. Writer Curt Anderson in an article published on August 11, 1999, writes, "Clean Water Action Council won't take it anymore". He talks about the Fox River "polluters" and the Fox-Wolf basin 2000 group and their dealing with the Fox River. He points out the funding for the group comes mostly from local industry and government and calls these organizations polluters. He named the Green Bay Metropolitan Sewerage District as a polluter and was confronted with the fact that the District only processes materials sent to it. His response of writing for an opinion page and therefore doesn't need the facts right is appalling. As Curt is the president of the Clean Water Action Council, we expect that he at least use facts that are correct. The Clean Water action Council also receives funds from the federal government in the form of a grant. Does that make it OK to be less than truthful? We deserve the TRUTH.

Many of us form our opinions by gathering data and using that data to draw conclusions. This is the way most people develop opinions. Others however, have opinions and then gather data to support these opinions. Lets hope these people at least use true factual data and don't create their own to support their positions.
WE as Taxpayers do indeed deserve the TRUTH.

Frank S. Bennett Jr. **President**

The BROWN COUNTY TAXPAYERS ASSOCIATION

SPORTS PORK is Costly For Taxpayers.

Raymond J. Keating chief economist for the Cato Institute. Washington-based Small Business Survival Committee.

During the 20th century, more than $20 billion has been spent on major league ballparks, stadiums, and arenas. This includes a minimum of $14.7 billion in government subsidies that has gone to the four major league sports —Major League Baseball, the National Football League, the National Basketball Association, and the National Hockey League — including more than $5.2 billion just since 1989.

These numbers (all in 1997 dollars) exclude the billions of dollars in subsidies provided through the use of tax-free municipal bonds, interest aid on debt, lost property and other tax revenues not paid on facilities, taxpayer dollars placed at risk of being lost if the venture failed, direct government grants to teams, and the billions of dollars spent by taxpayers on minor league facilities.

Looking to the rest of 1999 and the next several years, considering what is already agreed to and what various teams and cities are seeking or proposing, another conservative estimate indicates that at least $13.5 billion more will be spent on new ballparks, stadiums, and arenas for major league teams. Taxpayers are expected to pay more than $9 billion of that amount (in nominal terms).

Before the Great Depression, sports subsidies were rare; today, they are the general rule. The economic facts, however, do not support the position that professional sports teams should receive taxpayer subsidies. The lone beneficiaries of sports subsidies are team owners and players. The existence of what economists call the "substitution effect" (in terms of the stadium game, leisure dollars will be spent one way or another whether a stadium exists or not), the dubiousness of the Keynesian multiplier, the offsetting impact of a negative multiplier, the inefficiency of government, and the negatives of higher taxes all argue against government sports subsidies.Indeed, the results of studies on changes in the economy resulting from the presence of stadiums, arenas, and sports teams show no positive economic impact from professional sports —or a possible negative effect.

Unfortunately, many of the proposals for resolving the issue of subsidized stadiums and arenas, such as government ownership of sports teams, only make matters worse. A step in the right direction would be a measure requiring voters to approve any government subsidy for professional sports.

Editors Note: *In Wisconsin, we have the experience of the on-going Miller Park construction to use for an example of subsidized stadium construction. It will be interesting to see what happens with the Packers. Many of the stadiums which have been subsidized with taxpayers money were a result of either trying to lure a pro team for its prestige to the city, or trying to pacify a millionaire owner threatening to move his team elsewhere due to some problem preventing him from maximizing his investment. The problems in Green Bay are somewhat different. Even though our fan base is outstanding, our metropolitan area-tax base is small. There are many factors to be considered, presented and justified. Stay tuned.* **JF**

Representative Lasee introduces bill to encourage payment of delinquent taxes.

"We should do everything possible to encourage delinquent taxpayers to pay their bills", said Rep.Lasee, "this bill will do just that".

On Wednesday, September 1, the Assembly Ways and Means Committee will discuss Lasee's bill, AB 402, the "Tax Delinquency Compromise". This bill will make it easier for delinquent taxpayers to pay their back taxes, to encourage them to enter an agreement with the Wisconsin Department of Revenue (DOR).

Under current law, taxpayers who enter into an agreement with the DOR to pay delinquent taxes must make that payment within ten days of the agreement. Lasee's bill would allow taxpayers who enter an agreement with the DOR one year to pay the amount. This is done to encourage more people to enter payment agreements.

"When someone owes a large amount of money to the state that they can't afford, the current ten-day limit discourages them from paying up", said Lasee, "in fact, it encourages them to not pay and make the state find other legal methods to force them to pay. These legal expenses can get very costly for both the state and the accused taxpayer and can take years to settle. With a one-year payment plan, at least we're getting something back".

As of May 18th, 1999, delinquent taxpayers owe approximately $764 million to the state of Wisconsin. The intent of this bill is to reduce that amount to a more reasonable level.

"I believe in lower taxes", said Lasee, "but ultimately, it isn't right for one person to lower their own taxes by just not paying. We must make sure these people pay their fair share, so we don't have to pay it for them".

This bill currently has a strong backing from members in both parties. This bill has 15 Republican and 13 Democrat cosponsors in the Legislature. Including Lasee, that means that 29 of the 132 legislators have already signed on to support the bill and help pass it in their respective house of the legislature.

"The current law is penny wise but pound foolish", said Lasee, "sure, it gets more back-taxes in ten days, but discourages long-term paybacks to the state. It's really just a question of smart policy versus dumb policy. One year is a reasonable amount of time to collect back-taxes in".

"Public confidence in the integrity of the Government is indispensable to faith in democracy; and when we lose faith in the system,, we have lost faith in everything we fight and spend for." . . . **Adlai E. Stevenson**

"The American wage earner and the American housewife are a lot better economists than most economists care to admit. They know that a government big enough to give you everything you want is a government big enough to take from you everything you have."
. . . **Gerald R. Ford**

"All politics are based on the indifference of the majority."

The Five Big Myths (And The Real Facts) About The Congressional Tax Cut.

From the National Taxpayers Union.

Congress recently adopted a 10-year $792 billion tax cut. The legislation engendered fierce opposition and now faces a near-certain veto by President Clinton. Opposition to the tax cut has been based on a series of major distortions and half-truths. Opponents have relied on five principal myths in opposing the tax cut.

Myth 1. The Congressionally-passed tax cut is a "giveaway to the rich."

Fact: This tax legislation has specific provisions that will directly benefit all economic classes, so, for example, an individual earning $37,500 would see a tax reduction of $771 per year after the tax cut is fully phased in.

Fact: The top 10 percent of earners garner 40.2 percent of America's income, but pay 60.5 percent of federal income taxes, so it is almost mathematically impossible to write tax cut legislation that doesn't give this group a larger tax cut in dollar terms. The federal tax system is extremely progressive and will remain so, even if this tax cut is enacted into law.

Myth 2. The tax cut is "fiscally irresponsible."

Fact: The tax cut passed by the Congress trims only 3.5 percent of all revenues over the coming decade.

Fact: The surplus is really nothing more than an overpayment by taxpayers. The Congressionally-passed plan only returns about 1/4 of this overpayment to its rightful owners -- the American taxpayers.

Myth 3. Opponents are fighting the tax cut out of their desire for "fiscal responsibility."

Fact: Very clearly, opponents of the tax cut want the money to stay in Washington so they can spend it. The proof? Look at the legislation they are sponsoring and cosponsoring. According to the NTU Foundation -- NTU's 501(c)(3) research affiliate-- on average, the legislative agendas of tax cut opponents in the house of Representatives would increase federal spending by $115.9 billion per year.

Fact: 95 percent of the opponents of cutting taxes in the U.S. House of Representatives had a legislative agenda that would increase federal spending.

Myth 4. Cutting taxes will mean we have to cut "vital programs."

Fact: Except for the Defense Department, federal spending programs have been flourishing: during the 1990s, non-defense, non-entitlement spending has increased by 27 percent (this adjusts for inflation).

Fact: Under the Congressional blueprint, spending will continue rising. CBO projects that under the Congressional plan, spending will grow by approximately 25 percent -- adjusting for inflation --over the coming decade.

Myth 5. Americans are not supportive of tax cuts.

Fact: According to the Roper Center for Public Opinion, Americans --across all demographic categories --believe that the highest percentage of income that a family should pay in taxes is 25 percent (rather than the current 40 percent).

Fact: According to the Wirthlin Worldwide polling firm, 59 percent of Americans believe President Clinton should sign the recently enacted tax (36 percent think he should veto it). Another poll showed that by about a 2:1 ratio, voters agree that a $792 billion tax cut will keep our economy moving

AUGUST MEETING NOTES.

Monthly BCTA meeting held Aug. 19, at the DAYS INN - Downtown.

State Representative Frank Lasee presented an update of state budget negotiations. He noted that the presently proposed state budget is $41 billion, a ten percent increase over the $37 billion budget for the last biennium. He feels strongly that government budgets should be held to the rate of inflation plus an allowance for population growth. The increase for the proposed state budget is a multiple of that. He explained the lottery laundry proposals for the state budget: the Republicans proposed to use $160 million of tax dollars to fund the operation of the state lottery. The Democrats took the Republican proposal and added another $50 million of tax dollars to pay for lottery prizes, so more money would be available for "lottery" property tax credits on state income tax returns. The debate is now between the two proposals instead of whether the lottery laundry proposal is at all ethical. Why should tax dollars be pumped through the state lottery to provide property tax credits?

Representative Lasee anticipates that state budget negotiations will begin in earnest about the middle of September, with passage just before October 1st, when the Medicare reimbursement changes. He explained that Republicans want to lock up all but $60 million of the newly found $560 million of anticipated tax revenues for tax cuts, noting that Minnesota is returning $3 billion of real dollars to its taxpayers.

He explained that the proposed state budget authorizes an additional $1.2 billion in state bonding. Of this, $40 million a year for ten years is for the DNR's Stewardship Program for land purchases, a doubling of previous bonding of $20 million each year for the Stewardship Program. With 23 percent of Wisconsin's land mass owned by various levels of government, why should the state be spending another $43 million each year to "just buy more land?"

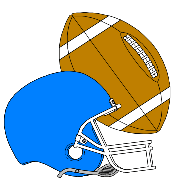
Mike Riley of Taxpayers Network, Inc., distributed copies of the book, ***THE IRS VS. THE PEOPLE,*** an eye-opening look at our federal income tax system and how it is enforced. Mike also called for action demanding that Congress terminate the "e-rate" surcharge imposed on our telephone bills by the Federal Communications commission. This is an unlawful tax imposed by a federal agency and it is being inconsistently administered. The next meeting is scheduled for Thursday, Sept. 16, in the WEST ROOM of the DAYS INN.

David Nelson - Secretary

THINGS THAT MAKE US WONDER.

Looks like Green Bay will be building a $7.5 million bus garage on the same site that formerly was too expensive for a new jail. Even though the federal government will contribute $6 million or so, you and I are still paying for it. Whatever. We realize benefits of mass transportation, but the first 100,000 people to ride the buses after this project is completed are being subsidized $75.00 each and the first million $7.50 each. It would be impossible to justify this kind of expenditure through user fees.

Congratulations to former Congressman Jay Johnson on his appointment to head the U. S. Mint. It will be a challenging job. A couple of years ago the U. S. Treasury observed there was a shortage of quarters in the country, supposedly caused by the proliferation of vending and gambling machines in the country. Their solution, split production between 50 new quarters (one for each state), which probably puts a lot of quarters in collectors socks rather than public use. Now they claim there is a shortage of pennies because people hang on to them rather than spend them. They say production has been increased, but whenever a shortage is publicized, won't people will hoard them all the more?



We understand Antonio Freeman's (and most of the other players) desire to be paid commensurate to their market value and contribution to the success of the team, etc. etc. However, isn't the total package he is to receive about the same amount ($42 million), that our arena backers have been proposing various taxes, fees, loans and whatever to come up with for the past five years or so? Before adding in interest. How much of these players salaries actually stays in Green Bay? Would a new stadium even scratch the surface of required revenue? Example, even at an exorbitant $15 a game, gross parking revenue would only be $750,000 per year. *(5,000 spaces* x *$15.00 x 10 games).* This won't go far with 53 players on the roster. Let's hope that when the Packers come up with something realistic that we can buy pro sports hasn't priced itself out of business.

The damage from the Miller Park accident is in the neighborhood of $50 million. This doesn't include personal injury lawsuits. Even though it is covered by insurance, it represents hard money that is being wasted. Too bad the insurance company can't pickup the tab to fix Lambeau Field.

Where did they take those polls that determined people do not want a tax cut? Obviously not anywhere in Wisconsin. There are undoubtedly a lot of inequities in all of the proposals for state and federal " tax cuts" which are turning people off, but I am sure we would all like some of it back. What it so difficult about reducing tax rates?

On the subject of polls, much has already been made of the Wisconsin Policy Survey poll establishing support for the Packers, but not to the extent of endorsing public funds for a new stadium. We certainly don't disagree with their findings, and realize this is an issue where emotions will possibly take precedence over our pocketbooks? What makes me wonder is, how could a poll which claims to have interviewed only a thousand people determine so much information from so many locations from around the state?

Wouldn't it be nice if we could have a presidential election next year without the polls trying to predict the outcome before we even have a chance to vote. Lets give us a chance to think for ourselves.

The City of Green Bay has proposed upping water bills $40 a year or so to cover hydrant expenses for the fire department. No doubt a legitimate city expense which no-one has said much about. However, tax exempt groups are already complaining hardship, and this will probably effect those with lower property valuations as they will be paying flat fee rather than prorated in their property taxes.

Prevent Federal Agencies from Establishing or Raising Taxes Without Congress's Approval.

Representatives George Gekas (R-PA) and J.D.Hayworth (R-AZ) introduced the Taxpayer's Defense Act. The Act is intended to prevent federal agencies from establishing or raising taxes without the approval of Congress. Senator Fred Thompson (R-TN) will introduce similar legislation in the Senate.

"The concept behind this act is very important," said Grover Norquist, president of Americans for Tax Reform (ATR). "Anytime a federal agency establishes or raises taxes without the approval of Congress, that is taxation without representation."

The Taxpayer Defense Act would promote the accountability of political leaders and federal agencies for their decisions about federal taxes;reduce hidden taxes, which take hard-earned money from Americans every day.

"The Taxpayer's Defense Act would establish a simple process to ensure that only Congress allows new taxes to take effect, which is how the founders of the country intended our government to work," Norquist added. "Only Congress considers every economic and social issue that rises to national importance. Federal agencies do not balance priorities in a way that qualifies them to set taxes."

Americans for Tax Reform (ATR) is a national coalition of taxpayer organizations committed to opposing tax increases at the state and federal level. ATR has collected signed pledges from 209 U.S. Representatives, 41 Senators, and 1,136 state legislators opposed to raising taxes.

"It is a sin to believe evil of others, but it is seldom a mistake."
. . . H. L. Mencken

Representative Frank Lasee has a new toll-free number for constituents to use when calling his Madison Office. (877) 947-0002. You can also phone his Bellevue office at (920) 406-9488. Address mail to P. O. Box 8952, Madison 53708-8952, or E-Mail to Rep. Lasee@ legis.state.wi.us.

SOARING INCOME TAX RECEIPTS.

Washington Times July-23-1999 by JT Young. Excerpted by Michael Riley, Taxpayers Network Inc.

Individual income tax receipts have dramatically outstripped the growth of the economy, wages and salaries, personal income, private savings, and payroll taxes. In fact, individual income tax receipts have grown more than 75% faster than these other economic variables --- the very factors that ultimately allow people to earn and pay taxes.

Last year, individual income tax receipts reached 9.9% of the Gross Domestic Product, the highest percentage ever recorded! And according to congressional estimates, they will reach 10% this year.

QUESTION:

How long can the United States withstand the increasing diversion of resources from the private sector without suffering an adverse economic impact?

Place School Elections on the November Ballot.

...consolidating school elections with November general elections would reduce confusion and increase voter turnout.

It is a commonsense solution.

The City of Royal Oak, Michigan placed a proposal on the 1996 August primary ballot asking voters to combine city and school elections. The voters overwhelmingly approved, with nearly 90% in favor.

In addition to allowing greater accountability, school election consolidation is fiscally responsible. In some years there are more than a thousand costly school elections across Michigan. Consolidation will save schools money and allow them to spend more time and resources on children.

Placing school elections on the November ballot will also deter what is possibly the most bothersome aspect of school elections: the tactic of holding repeated votes until voters pass a tax increase.

COULD THE ABOVE APPLY TO WISCONSIN AND OTHER STATES ??? (Legislation requiring referendum elections in Wisconsin be held the same day as general elections has been stalled in the

IF YOU SEND IT, THEY WILL SPEND IT

By Edwin Feulner, President, The Heritage Foundation.

The $792 billion tax cut recently passed by both houses of Congress has triggered the usual bout of hand-wringing from President Clinton and other tax-cut foes: The nation can't afford it. It will threaten our ability to "save" Social Security and Medicare. It will thwart debt reduction. Wrong on all counts. The charge that the tax cut is too big—Vice President Gore derides it as a "gigantic risky tax scheme"—crumbles under inspection.

The amount by which our taxes would be reduced—$792 billion over 10 years—is less than one-third of the projected $3 trillion budget surplus over the same period. The cut would be phased in gradually, with a measly $5.2 billion in tax relief next year and only $156 billion over the first five years. As Charles Krauthammer writes, "this hardly tears up the tax code."

Without the tax cut, Americans will pay $22.8 trillion in federal taxes over the next decade. With the cut, they will pay "only" $22.2 trillion. Yet opponents would have us believe even this modest reduction is too much.

To help stage-manage this sleight of hand, the president and his allies have continued to make solemn pronouncements about the need to "save"Social Security and Medicare, implying—if not outright declaring—that Congress's "gigantic risky tax scheme" would somehow jeopardize this goal. How so, since two-thirds of the projected surplus would be set aside for Social Security? As for Medicare, it is the White House that has proposed an expensive new prescription-drug benefit that would place the program on even shakier financial ground.

So with $2 trillion in a Social Security "lockbox," lawmakers are deciding the fate of the remaining $1 trillion.

Which brings us to the final question: "whether," in the words of Harvard University Economics Professor Martin Feldstein, "the remaining third should stay with taxpayers themselves or be given over to new government spending and income redistribution schemes."

Those naïve few who think the government won't spend our tax overpayments should consider this sobering fact: Congress already is preparing to spend nearly all of next year's projected $14 billion surplus. Two "emergency" spending bills alone—$7.4 billion in farm aid and $4.5 billion to fund the Census—would consume almost $12 billion. What will happen when Congress gets around to the "non-emergency" spending, the traditional election-year pork barrel projects used to buy re-election?

Lawmakers can preach debt reduction all they want, but their actions are what count. Congress spent $20 billion of last year's Social Security surplus on dozens of hometown projects, corporate welfare and other redundant and obsolete programs. Lawmakers are expected to go at least $30 billion overboard this year, having earmarked funds for—among other things—plant growth in outer space, improving peanut "efficiency," and grants for manure handling and distribution. Which makes the fate of future surpluses look grim indeed.

In "Field of Dreams," audiences were told: "If you build it, they will come." The lesson from Washington: "If you send it, they will spend it." Somebody will get to use the record-breaking tax overpayments now filling the government's coffers.Why not the people who earned the money in the first place?

Articles and opinions appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We encourage discussion and input on current issues of taxpayer interest and invite your comments or articles suitable for future "TAX TIMES". Please send them to the BCTA, P. O. Box 684, Green Bay, WI. 54305-0684, or call Jim Frink at 336-6410.

FIVE PRINCIPLES OF SOCIAL SECURITY REFORM.

by John C. Goodman, President, and Joe Barnett, Policy Analyst

Politicians in both major parties now recognize that the existing Social Security system is unsustainable and must be reformed. The following are five principles that should govern our thinking about reform.

Principle No. 1: The Trust Funds Don't Matter

Our Social Security system is based on pay-as-you-go finance. Payroll tax revenues are not stashed away in bank vaults or invested in real assets. They are immediately spent - on Social Security benefits for current retirees and on other government programs. The Social Security trust funds are not real trust funds in any meaningful sense of the term. They are merely an accounting mechanism designed to track the inflow and outflow of Social Security taxes and Social Security payments. Technically, the trust funds hold special government bonds, representing the amount by which payroll tax revenues have exceeded benefit payments. Indeed, one might think of the scheme as one in which the government borrows the Social Security surplus and gives Social Security bonds.

However, the special bonds held by the trust funds are nonnegotiable. They cannot be sold on Wall Street or to a foreign investor. They do not count as part of the official, outstanding debt of the U.S. government. They are nothing more than IOUs that one branch of government keeps writing to another.

On paper, the Social Security trust funds have enough IOUs on any given day to "pay" Social Security benefits for about 17 months. In reality, they cannot pay anything. Every asset of the trust funds is a liability of the Treasury, resulting in a balance of zero. So for the Treasury to write a check, it must first tax or borrow.

Principle No. 2: Future Tax Rates Do Matter.

According to the most recent projections of Social Security trustees, the tax rate needed to pay benefits to retirees will grow continuously - as far into the future as we care to look. And these taxes will not be paid in a vacuum. The federal government's commitment to provide health care benefits for the elderly through Medicare, Medicaid and several other programs is also unsustainable.

Today the payroll tax that funds Social Security is 12.4 percent. By 2045, when today's 21-year-olds reach retirement age - which at that time will be 67 - the government will need 17.4 percent of workers' wages to pay projected benefits. Add in the amount needed to fund

Medicare and other health care programs for the elderly and we will need a total tax rate of more than 31 percent. This is based under the trustees' pessimistic assumptions, by 2045 the government will need 21.7 percent of workers' wages to pay projected Social Security benefits and more than twice that figure for elderly health care. The total tax rate needed will be more than 48 percent of workers' incomes.

Principle No. 3: A Solution Requires Investment in Income-Earning Assets

Over the past seven decades the real pretax rate of return on a balanced portfolio (60 percent stocks and 40 percent bonds) has been slightly more than 8.5 percent. After paying federal, state and local taxes on financial investments, returns have averaged about 5.5 percent. By comparison, the Social Security system promises young workers a return on their payroll taxes of less than 1 percent. Moreover, private capital formation can replicate Social Security's promises at a fraction of the cost. In an analysis for the NCPA, Texas A&M University economist Andrew J. Rettenmaier found that with an annual contribution of 4.2 percent of wages, a personal retirement account invested in a balanced portfolio could replace Social Security benefits.

Principle No. 4: Transaction Costs Can Be Minimized.

Critics of Social Security reform say the administrative costs of individually owned and privately managed Social Security accounts would be too high. (Administrative costs include such things as collecting contributions, record keeping and paying out benefits.) However, there are many examples of investment plans with low administrative costs:

Total annual costs for large companies' defined contribution retirement plans are less than 2/10ths of 1 percent. Mutual funds that follow the S&P 500 have a median administrative cost of less than 4/10ths of 1 percent. The investment and administrative costs of the Thrift Savings Plan for federal workers are less than 1/10th of 1 percent.

By contrast, according to the best research on this issue, by Olivia Mitchell of the University of Pennsylvania, the U.S. Social Security system costs a little over 3 percent of benefits to run. Some critics worry that the low administrative costs of private plans cannot be duplicated for the millions of "mom and pop" firms across the country. But Bill Shipman of State Street Global Advisors has devised a platform to keep expenses for small business at less than 4/10ths of 1 percent. [See NCPA Brief Analysis No. 289, "Administering Private Social Security Accounts."]

Principle No. 5: Government Can Guarantee Benefits for Individual Retirees.

Under the current Social Security system, retirement benefits are subject to political risk - the risk that when costs become too high, politicians will reduce future benefit payouts by raising the retirement age, changing benefit formulas or adjusting cost-of-living increases. These adverse outcomes occurred the last time the system was "reformed" in 1983 - along with increased payroll taxes on workers and employers.

Opponents of an investment-based system say that personal retirement accounts would exchange political risk for market risk - the risk that the stock market may decline precipitously, as it did in 1987 or even in the crash of 1929. Yet government can afford to guarantee that no one will be worse off under the reformed system - and the cost of making good on that guarantee is a small fraction of the cost of running the current pay-as-you-go system. In fact, two reform proposals - by Phil Gramm (R-Texas) and by Reps. Bill Archer (R-Texas) and Clay Shaw (R-Fla.) - explicitly guarantee that all retirees will receive a pension at least as great as the one promised under the current system . **Contributed by Taxpayers Network, Inc.**

Speaker Scott Jensen receives "Friend of the Taxpayer!" award.

Wisconsin Assembly Speaker Scott Jensen (R-Brookfield) will be presented with Americans for Tax Reform's "Taxpayer Hero Award", presented each month to the legislator who works hardest as determined by ATR to reduce the tax burden on taxpayers.

Speaker Jensen led assembly Republicans out of the negotiating room earlier this month after Democrats refused to discuss tax cuts. Republicans are pushing Governor Tommy Thompson's income tax cut of $328 million, lottery tax cut of $168 million, state property tax cut of $440 million and a $100 million property tax rent credit. Democrats countered with a proposal to spend an additional $75.6 million for University education, increase spending in secondary education, while cutting taxes $254 million in an unspecified manner.

"Jensen has demonstrated to the taxpayers of Wisconsin and the rest of the country that he will oppose the liberal tax and spend policies that cripple families," said Grover Norquist, President of Americans for Tax Reform (ATR). ATR is a national coalition of taxpayers and taxpayer organizations committed to opposing tax increases at

Disagrees with this "Friend of the Taxpayer" award!

Wisconsin State Govt, controlled by a Republican Governor and a Republican Assembly (and at times a Republican Senate) "has repeatedly enacted biennial budgets that have exhausted any surplus and spent more than was projected in available revenues. This pending 2000-2001 WI state budget does even more of the same" [quote from Wisconsin Taxpayers Alliance] --- yet there is little concern among Republicans!

"Thus Wisconsin might begin the 2001-2002 budget cycle having to find almost $461 Million in NEW money to pay for EXISTING programs before it can spend anything additional." [again quoted from Wisconsin Taxpayer Alliance].

Michael Riley of Taxpayers Network stated that: "The 2000-2001 Wisconsin State Budget will increase some 10%+ over the 1999-2000 budget. This in a time when the CPI is increasing only 2% or less!" Riley grades this Republican fiscal performance as a "D", as in Damn little done to protect working households in Wisconsin from BIG GOVT!

That's how I see it.

Michael Riley, Founder Taxpayer Network, Cedarburg, Wisconsin

How Will the Hydrant Fees on Water Bills Effect You?

Mayor Jadin recently proposed adding a $10 per quarter surcharge to Green Bay water utility users to cover the cost of fire hydrant maintenance. This item is presently covered by property taxes. In most cases, the cost to a property owner will be negligible. However, we asked a CPA familiar with the state and federal tax laws to analyze this change and its effect on certain individual taxpayers.

For example, assuming a $40.00 reduction in your property taxes, and you claim the property tax deduction on your income tax returns, you could lose from 15-39% on your federal returns that amount depending on your income bracket. Utility charges are not normally deductible. You would also not be able to take this deduction on your state return.

For the impoverished, elderly and other low income individuals with incomes under $20,000 or real estate taxes under $1,450, a $32.00 deduction in the Homestead Tax Relief Credit would apply.

One other possible consequence would be that a landlord who pays the water bills for his tenants would probably raise his rents at least $5 per month to cover the additional cost of utilities.

PATIENTS BILL OF RIGHTS - Please Tell Us The Truth.

There have been a number of TV commercials recently urging us to contact your congressman in opposition to the Dingell-Norwood, or Kennedy-Dingell legislation commonly referred to as "The Patients Bill of Rights." This legislation has not really received a lot of publicity, but it sounds as though it could have dramatic implications on the way health care in this country is handled, one way or the other. I somewhat suspect that this is by design, and if so - WATCH OUT!

For starters, the non-partisan Congressional Budget Office has advised this bill would raise health care costs by $350 per family and increase the number of uninsured Americans by nearly 2 million. Any benefits for you and me remain to be seen, but be assured there is another layer of government bureaucracy involved including stiff penalties for non-compliance for businessmen and others trying to keep up with Washington.

Like much legislation, a mixture of good and bad, with little thought of the ultimate consequences is pieced together with the help of special interest groups with their own agenda to gain. This sounds like a classic example. In any event, the benefits and drawbacks should be made clear to the American people before we have more government control shoved down our throats. It is no secret the present administration still thinks government controlled health care

DNR Representative to Address Sept. BCTA Meeting.

Gary Hanson from the Dept. of Natural Resources is scheduled to address the Sept. 16, BCTA meeting, and discuss the "Rails to Trails" program, including the proposed Fox River Trail.

This and future meetings will be held in the "West" room of the Days-Inn, Downtown. This change from the "East" Room is due to remodeling at the Days Inn. We will feature a sit-down dinner with choices rather than the buffet, and the cost will remain at $6.50. Details on the back page of this "TAX TIMES". The BCTA annual meeting is scheduled for October, and Jeff Pagels from the DNR will speak on their stewardship fund at the November meeting. Details will follow. **JF**

BCTA Meeting and Events Schedule

Thursday - September 16, 1999 - DAYS INN - DOWNTOWN
12:00 Noon - WEST ROOM - BCTA Monthly Meeting
DNR Representative Gary Hanson will speak on the DNR "Rails to Trails" program and the Fox River Trail issue.

Monday - October 18, 1999 - Tentative. BCTA Annual Meeting.
7:30 A. M. (Breakfast meeting). We are presently arranging for an outstanding speaker from Madison. Complete details will be in the next "TAX TIMES". (No regular October meeting.)

Thursday - November 17, 1999 - DAYS INN - DOWNTOWN
12:00 Noon - WEST ROOM - BCTA Monthly Meeting.
DNR Representative Jeff Pagel will explain the DNR Stewardship fund.

All members of the BCTA, their guests and other interested persons are cordially invited to attend and participate in these open meetings. Phone 499-0768 or 336-6410 for information or to leave message.

Regular monthly meetings are held the third Thursday of each month at the DAYS INN - Downtown. (Note change, effective immediately, that meetings will be held in the West, rather than the East room. Price, $6.50 per person - includes luncheon choices ? Payable at Door.

SEPTEMBER, 1999

"Inflation allows you to live in a more expensive neighborhood without moving."
. . . **Managing Your Money**
"Never invest in anything that eats or needs repairing." . . . **Billy Rose**

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