
◆ 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 as taxpayers. The FBI announced it did send incendiary devices into the compound at Waco, and also insisted 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 a 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 given the boot. The EPA is to determine policy and to make decisions affecting our tax dollars 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, Brown County Taxpayers Association

The BROWN COUNTY TAXPAYERS ASSOCIATION
Promoting Fiscal Responsibility in Government

It's Time to Reform the Budget Process.

The preparation and contents of the 2000-01 Wisconsin State budget indicate there is a lot of room for improvement. Senator Bob Welch, has proposed a number of changes for the future, and the BCTA asked him for comments.

He relates that "Concerned citizens from throughout Wisconsin have expressed their disdain over the great Budget Debacle of 1999. I can't blame them.

Rather than point fingers or try to place blame for the debacle this year, or even for the troubles surrounding previous budgets, I am optimistic that we can learn from our mistakes and move forward. I am hopeful we can reform the system in such a way that the citizens of this state will be well-served.

For several years, I have been developing a new Budget process—one that spreads the power to more individuals, and opens the process to more scrutiny from the public and the press. The plan I unveiled at the Capitol last week would dramatically change the way State Budgets are developed and negotiated.

It should be clear to everyone that the current Budget process is not working. I believe the crux of the problem is that the decision making power is in the hands of too few legislators. When this happens, personality conflicts can become roadblocks to progress.

Under my reform plan, there would be no change in the manner in which the Governor introduces his biennial budget proposal. However, upon introduction, The Joint Committee on Finance would separate the Governor's proposal into 10 unique appropriation bills.

Standing committees of the legislature would be given a chance to review individual appropriation bills, but could not spend more than a predetermined amount set by the Finance Committee.

This divests the power out of the hands of two or three individual legislators and brings more people into the process. More importantly, the new Budget process would cap the amount able to be spent early on in the process. Any 'new found' surplus monies discovered after March 31st would not be able to be spent as part of the Budget. If we run an unexpected surplus, this will make it easier to give all the money back. As it stands now, it's too easy to just spend, spend, spend.

The appropriation bills would follow the standard procedure for every bill in that upon approval by one house it would be messaged to the next house and then sent to committee for action before being reported out of the committee and onto the floor.

A separate conference committee would be established to reconcile the differences between the Assembly and Senate versions of each individual appropriation bill. The Committee could not report out a bill that exceeds the hard target appropriation number established by the joint budget resolution. Conference Committee reports would then be sent to the legislature as non-amendable for a final yes or no vote, as is the current process for the budget as a whole.

The press and the public will have greater access to the decision making process under this plan. By giving standing committees some autonomy and control over the process,

the press and the public will be able to scrutinize who is pushing for or against certain items—and it will reduce the chance that blatant pork projects or unrelated policy items can be sneaked into the budget by legislators.

I believe my proposal will be well-received by the public, but not so much by those in power in Madison. I think the public will embrace this change for what it is, an attempt to open up and clean up the process; and it may get shot down in Madison for that very same reason. I will continue to push for this needed reform and will spend the next few weeks outlining this plan to colleagues and concerned individuals throughout the state. I am interested in what you think, and you can write me at: Bob Welch, State Capitol PO Box 7882, Madison, 53707; or email me at Bob.welch@legis.state.wi.us. Together, we can change this mess."

Senator Bob Welch

WISCONSIN TAXES: How High and Why? Wisconsin Taxpayers Alliance President Addresses BCTA Annual Meeting.

Todd A Berry, President of the nonpartisan Wisconsin Taxpayers Alliance of Madison addressed the 14th Annual Brown County Taxpayers Association meeting held October 18, at the Days Inn. Following are some of his remarks and observations, followed by graphs and tables which reinforce his findings.

"I am often asked: How high are Wisconsin taxes. . . and why? These should be easy question to answer, but they're not. There are a number of state tax rankings out there, and many are dubious. *Money* magazine, for example, tabs us as the nations *Tax Hell* every year. Yet when their methodology is checked, one finds their calculations are based on the average income of a *Money* subscriber – about \$90,000 per year.

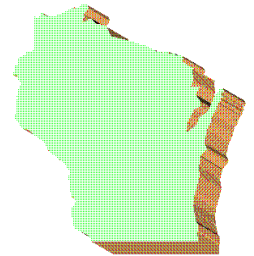
The most useful rankings come from the federal government. Unfortunately, the latest figures for combined state and local taxes are for 1995-96. Adding up all state taxes—income, sales and so on—and all the local taxes—principally the property tax—and comparing them to total personal income, one finds Wisconsin ranked third in the nation, mostly because of our high income (sixth) and high property (seventh) taxes.

So Wisconsin is a high-tax state. We've generally ranked among the top five or ten states for the last 25 years. The good news is that, relative to total state personal income, total state and local taxes have been somewhat stable since the late 70's, ranging between 12 percent and 14 percent of income. Meanwhile, U.S. taxes paid by Wisconsinites have almost doubled from 15 percent of income to 27 percent. Virtually all of the growth has been due to federal income and social security taxes.

Why have Wisconsin state and local taxes remained amount the nation's highest? I have four theories.

Why? Low fees and Federal Money.

First, Wisconsin makes heavy use



of a narrow collection of revenue sources: income taxes, sales taxes, and property taxes. Our taxes are high, but we make relatively little use of user-fees compared to other states. And we have historically been one of the states at the bottom when it comes to capturing federal revenues.

Neither of these observations should be surprising. Compare your driver's license or car registration fees with those a friend or relative pays in another state. Or, compare US-Madison tuition with Michigan or Minnesota or Illinois. In each case, Wisconsin is a bargain: we fund these services with taxes—and not fees—to a greater degree than other states. In fact, if you rank states on *total* government revenue, including fees, charges and federal money (and not just taxes), Wisconsin ranks 17th and not third.

Why? High Service Demand.

A second reason Wisconsin taxes are high is that Wisconsin provides a high level of services. This has a lot to do with history and culture. Whether it's elementary or secondary education, the university, technical colleges, social service programs or highways, Wisconsin spends more per capita than many other states. Usually, we're among the top ten or fifteen.

Why? Property-Tax Relief.

A third explanation for our relatively high tax burden is a subtle one. Wisconsin *state* taxes are high because the state used income and sales taxes to relieve *local* property taxes. In fact, more than 60 percent of the state's general-fund budget goes to state aid for local governments and school districts. Each year, Wisconsin state government collects about \$10 billion in income, sales and related taxes: then it returns about \$6 billion of that to local governments and school districts.

In a very real sense, the business of Wisconsin state government is *local* government. State taxes are high to keep local property taxes low. And not surprisingly, a WTA study in 1998 showed that states with large amounts of aid to local government generally have higher state taxes.

But the second part of the research surprised us. In states that pro-

vide generous aid to local governments, local *property* taxes are *not* necessarily lower. In fact, the WTA found that there was a limited relationship between the total amount of state aid—or property-tax relief—paid, and the level of local property taxes. For example, over the past 26 years in Wisconsin, adjusting for inflation, for each dollar in new state aid to local government, property taxes fell only about 40 cents.

Why? Little Planning.

A fourth reason Wisconsin taxes are high has to do with the way the state plans, or doesn't plan. The evidence from recent years is clear. State budgets have been tight because of surges in prison spending and state aid to schools: both have doubled during the 1990's. Budgets containing the slimmest of surpluses were approved. Quite often, revenue has been less than expenditures. State budgets have remained balanced as required by law, only because we started out with an accumulated surplus.

What has saved us repeatedly is a strong economy. During the 1997-99 budget period now coming to a close, *the state will collect about \$900 million more in taxes that was originally estimated.* The rest went to promised tax cuts or promised spending after mid-1999.

One thing was not done: Wisconsin did not set aside any of the unexpected revenue for a rainy day. Why can't the state manage to control spending when it is so contrary to the way we manage our household budgets? My explanation lies in a fundamental change in Wisconsin politics over the past 30 or 40 years. Today's legislature is relatively well paid and well staffed. The benefits are excellent. The legislature considers itself a full-time professional body, one of about a dozen in the nation. Open a state *Blue Book* and read the legislative biographies; you will find the leading occupation of our lawmakers is not farmer, lawyer, teacher or business person as it once was. It is now full-time legislator.

This orientation has fundamentally changed the way governors

and lawmakers plan for the future. We have to think five, ten or fifteen years out. But for the full-time lawmaker, who views his or her job as a career, the time horizon is more like ten or fifteen months. There's always an election coming. If lawmaking is your job, you worry about next month or next year, not the next decade. The result? Little planning.

Recently, I have begun to wonder whether these same factors explain, in part, a more serious and fundamental problem that concerns me greatly—the continued decline in the level and quality of our civic life, together with the escalation of incivility in our politics. Consider that:

- **Americans feel detached from their public institutions. Surveys show that when the trustworthiness of various occupations is rated by citizens, politicians are down with the used-car salesman.**
- **Voter participation has been on a downward trend since the 1960's.**
- **A WTA study of county board elections in 1996 showed that 82 percent of county supervisor seats went uncontested that year.**
- **An annual university study of national freshman student attitudes has consistently showed that interest in public affairs among young people is at new lows.**

Meanwhile, election campaigns at every level get more expensive and more nasty every year."

The BCTA wants to thank Mr. Berry for his excellent and well qualified presentation. Please see the following "TAX TIMES" pages for graphs and tables which Mr. Berry used to establish his observations.

Our goal is to inform citizens about government affairs and the Wisconsin Taxpayers Alliance operates on the premise that well-informed, involved citizens are crucial to the health of a democracy. They have a wealth of information and publications available regarding Wisconsin taxes, and can be reached at 335 W. Wilson St., Madison WI 53703, (608) 255-4581.

MORE



Wisconsin Taxpayers Alliance - Report to the Brown County Taxpayers Association - October 18, 1999

THINGS THAT MAKE US WONDER.

There are a number of area school referendums coming up for voter approval, and the BCTA agrees that taxpayers should be given a chance to approve how their tax dollars are spent. One observation is that the school boards proposing these projects seem to rely on emotional issues to illustrate the need for new or enlarged facilities rather than justify the reasons for the large amounts of money they are asking for. Agree?

Do the Democrats or Republicans we vote to represent our interests in Madison and Washington really and truly believe themselves, or just disagree with each other just for the sake of argument and wasting our money?

It was recently announced that plans are being drafted to add another upper deck section for the UW Madison Camp Randall stadium. It will be interesting to see who foots the bill if plans proceed. Seat licenses or taxpayers?

Interesting recent news item regarding how the UW athletic dept. is a money loser despite being subsidized \$576,400 by taxpayers. Sending a few planeloads of university officials, families, babysitters, and assorted guests to the Rose Bowl seems to have been the biggest problem. Let's hope this was reported by the university on the recipients #1099 or W-2 forms, as gifts by an employer are considered as taxable income by the IRS and Dept. of Revenue.

It is difficult to understand the rationale proposing the use of general revenue taxes to pay expenses of the state lottery. The justification seems to be that it would rejuvenate falling lottery sales in order to give us a greater property tax credit, or whatever. Property tax relief has been a farce, and we don't need the state to encourage more gambling. Why not just lower taxes?

Estimates of the final cost for construction of the Milwaukee stadium have now more than doubled the original

estimates presented when this project was initiated. This doesn't include what the insurance companies will pay for accident damage. What kind of economic impact was this supposed to produce?

We've agree that sending county prisoners elsewhere is a big waste of time and money, but it will be interesting to see what happens to our tax bills when the new jail goes on line with a hundred or more extra employees on the county payroll.

The BCTA has not publicly taken a stand on who should pay for any cleanup of the Fox River, except concern what the ultimate cost could be for all of us, and whether the money will be effectively spent.

Any effective solution to the problem we can all live with and afford will be welcome. However, we somewhat question the headlines and credibility given a recent poll concluding that both the paper mills and superfund designation should take responsibility. For example, how knowledgeable were the 400 or so people contacted at random of the scope of the problem and the massive resources necessary to

Articles and views 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

"Everything is changing. People are taking the comedians seriously and the politicians as a joke."
... Will Rogers

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

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

1999 ANNUAL MEETING NOTES.

BCTA Annual meeting held Monday, October 18, 1999 at the DAYS INN-Downtown.

President Frank Bennett recognized the state legislators and county and municipal officials present. Noting that all the state legislators present had voted against the state budget, he expressed gratitude for their concern for taxpayers.

President Bennett then reviewed highlights of the BCTA's activities for the past year. He reported that the BCTA web site, BCTAxpayers.org, has been remodeled to include many additional items of information for taxpayers. He revealed the feeling of futility resulting from his first study of the 1,476 page budget proposed by the governor. Some proposals in the budget have been supported by the BCTA and some have been opposed. The BCTA has supported tax relief, particularly returning excess tax collections directly to the taxpayers who paid them. From the beginning, the BCTA has opposed using tax money to finance political campaigns. He concluded his report by stating that the state budget process we have observed is a clear indication that great deal of work remains to return our government back to the citizens of this state.

Todd Berry, President of Wisconsin Taxpayers Alliance, addressed the meeting. He explained why Wisconsin's state and local taxes are among the highest in the nation, and why they are going to remain high if major changes are not made in the ways taxes are collected and spent in this state.

Nominating committee chair Rod Goldhahn presented a slate of candidates for election to the BCTA Board of Directors. Ron Erickson was elected, and Frank Bennett, Tom Sladek, and Gerald Slavik were re-elected to the BCTA Board of Directors.

The next meeting is scheduled for Thursday, November 18, at the DAYS INN, and will feature speakers from the DNR to discuss their land acquisition program. **David Nelson - Secre-**

"Necessity never made a good bargain."
... Benjamin Franklin

Five Star Agenda Introduced To Reduce State Taxes.

A "Five Star" agenda is being introduced in the State Senate by Senators Alberta Darling, Scott Fitzgerald, Robert Welch and David Zien proposing various ways of controlling taxes and reducing state spending. The provisions of this resolution are:

◆ **Reduce the Tax Burden for all Wisconsinites**

The Five Star Agenda will get Wisconsin out of the top ten most taxed states by cutting taxes by more than \$2 billion over the next four years. This permanent cut in the tax rate is the single largest tax cut proposal in Wisconsin history. The four-year savings for the average Wisconsin taxpayer under the 5-Star tax cut plan will be \$1095.

◆ **Cut Unfunded Mandates on Local Governments**

The Five Star Agenda calls for establishing a standing Joint Survey Committee on State Mandates to review all bills and current laws that place a requirement on local government. If the committee concludes a provision is an unfunded State mandate, the committee must introduce a measure appropriating funds to offset its costs. The Five Star Senators have also vowed to hold "Mandate Summits" throughout Wisconsin in the summer of 1999, where they will meet with local government officials and taxpayers to discuss the impact various mandates have on local budgets and services.

◆ **Increase Accountability in our Education System**

The Five Star Agenda proposes new methods for dealing with disruptive students, absentee parents, teacher training, contract negotiations and the labeling of students with special needs. The lawmakers are calling for Zero Tolerance for disruptive and violent students, with children who are chronic problems being placed in alternative educational settings.

◆ **Control State Spending**

The Five Star Agenda recognizes that taxes and spending go hand in hand. Therefore, the plan includes sweeping cuts in state

spending. The Senators will propose spending cuts that will more than offset their proposed tax cut.

◆ **Fight legitimate War on Drugs**

The Five Star Agenda recommends the use of drug intervention dogs and a change in contraband and visitation policies to keep our prisons drug free. It also calls for promotion of effective, faith-based rehabilitation programs and the use of some of the community re-investment monies to prevent drug abuse. We are also pushing for the formation of a Drug Court Pilot program. This plan is not only tough on drug use, it's rational, cost-effective and compassionate.

This proposal is supported by the Federation of Wisconsin Taxpayers Organizations, (FWTO). If you support the provisions of the five star agenda, you are urged to call the Wisconsin Legislative Hotline at (800) 362-9472. An operator will forward your call to your State Senator or Representative.

Representative Lasee Cosponsor of "Supermajority" Taxpayer Protection Act.

Rep. Frank Lasee has announced he is a cosponsor of the Supermajority Taxpayer Protection Act, which would require that the legislature approve any increase in state sales, income or franchise tax rates with a two thirds majority in both the senate and legislature.

"Wisconsin is the fourth-highest taxed state in the nation but we are only the 22nd highest in income. It's time that we take positive steps to slow the growth in government spending. This bill is a step in that direction. it is important that the citizens' interests are protected from tax-and-spend politicians," says Lasee. This bill will require adoption by two successive legislatures and ratification by the people before it could become law.

"Web Site of Shame" Passes Committee

Two bills authored by Rep. Frank Lasee designed to help the state collect delinquent taxes have passed the Assembly Ways and Means committee by a 15-0 vote.

AB-275, "the delinquent taxpayer web site of shame" will have the Department of Revenue (DOR) post the names and addresses of the top 100 dead beat taxpayer accounts on a web site. These would be businesses and individuals, and include the names, addresses, type of tax and amount due. The web site of delinquent taxes will cover unpaid taxes that are still due 90 days after and all appeal rights have expired. The bill also requires DOR to develop a list of all delinquent taxpayers for public inspection. Only those who owe \$25,000 or more and are 90 days past the end of their appeal rights will be on this list.

This law would be similar to those in effect in Connecticut and Illinois where it has been successful.

AB 402 would make it easier for delinquent taxpayers to pay their back taxes by entering a repayment agreement with the Wisconsin Department of Revenue (DOR).

Under current law, taxpayers entering into an agreement with the DOR have to pay within ten days of the agreement. Lasee's bill will let taxpayers enter a repayment agreement with DOR that take longer than ten days to repay. This will make it easier for more people to pay the taxes they owe.

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.

The current law is penny wise but pound foolish", said Lasee, "sure, it gets some back-taxes in ten days, but doesn't allow long-term paybacks. The state needs to have as many tools to collect delinquent taxes that are reasonable

"Prosperity is something created by people and their industries and business for which government takes credit." . . . **Ronald Reagan**

"Vote for the man who promises least — he'll be the least dissappointing."

BCTA Meeting and Events Schedule

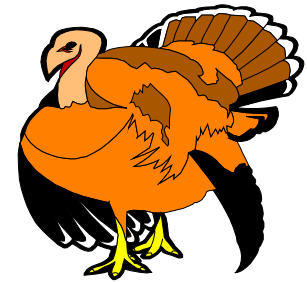
Thursday - November 18, 1999 - DAYS INN, Downtown
12:00 Noon - *Whitney Room, South, Monthly Meeting.*
Jeff Pagels, DNR Regional Outreach Director will discuss
their land acquisition program, and DNR Regional Director
Ron Kazmierczak will discuss DNR reorganization.
Bring your questions.

Thursday - December 15, 1999 - DAYS INN, Downtown
12:00 Noon - *Whitney Room, South, Monthly Meeting.*
Open discussion on BCTA plans for the year 2000.
What taxpayer items should we focus on, and how can we
better communicate?

*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 on the third Thursday of each month
at the DAYS INN - Downtown.*

Price, \$6.50 per meeting. Includes meal. (Payable at door)



NOVEMBER, 1999

“You can’t legislate intelligence and
common sense into people.”
. . . Will Rogers

“Blessed are those who expect
nothing, for they shall not be
disappointed.” . . . Jonathon Swift

SUPPORT THE BCTA
**New Members are always
welcome.**

Call 336-6410 or 499-0788
Write us at P. O. Box 684
or visit our website
www.BCTAxpayers.Org
for Details.

The TAX TIMES

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