
◆ The TAX TIMES ◆

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Newsletter of the Brown County Taxpayers Association

June-July, 2001

WE ARE GENEROUS TAXPAYERS

Both the County and the State are looking for ways to cut spending or increase revenue to balance their budgets. When times of slower growth become part of the economic cycle, all governments seem to have a difficult time in balancing their budgets. As we review some of the spending, it is obvious to me that the people of Brown County and the State of Wisconsin are indeed generous.

As taxpayers we make contribution to the Boys and Girls Club of Green Bay and also to the Family Violence Center. Both of these organizations are integral parts of the Green Bay community and provide a service to the community. Both of these organizations are very well funded today. When the County started the contributions to these two organizations they were probably in a start-up mode and needed the help. However, today both are well funded and I believe they could do without County funds. The Boys and Girls Club will receive a little more than \$36,000 and the Family Violence center will receive about \$34,000. This is \$70,000 in contributions to private charities made by taxpayers. The Boys and Girls Club receive their funds from the Human Services Department in the form of outreach while the Family Violence Center receives their funds from the County Clerk, who obtains the funds in the form of \$20.00 fee for each marriage license. Instead of the fee going into the County coffers, we must make up the difference with our taxes. I don't understand why we continue to make such gifts.

With the County looking for ways to reduce their spending, both of these contributions need to be reviewed and conscious decisions made on continuing them.

At the state level, we are also looking at a deficit. One way to keep our budget in balance is to limit the spending to what is projected as income. The Wisconsin Development Fund recently awarded \$2.1 million to different business around the state. Locally, Badger Paper mills is receiving \$24,500 to train employees on new equipment. Erda Medical Systems is receiving \$28,478 to train employees so the company is able to obtain ISO certification. Wausaukee Composites will receive \$48,109 to train employees for ISO 9000 certification. It appears to me that we are using tax dollars to subsidize business again. Why do we give tax dollars to companies for them to perform necessary work within their own business? Also, the legislature's budget committee voted to provide \$14 million to make vacant lots into useable land for development through the brownfields program. Again we use tax money to support private business. The brownfields program is a very successful program. It should be when tax dollars upgrade land for others to use for development. Don't our representatives understand that we are unable to be so generous when times turn tough?

If you think that we need to stop making contributions to private non-profit organizations when our County is in difficult times for money, please contact your county supervisor or call the County Board office at 448-4015 and leave a message for your supervisor. For contacting your state representatives, their phone numbers and e-mail addresses are available at our website, www.bctaxpayers.org.

BROWN COUNTY TAXPAYERS ASSOCIATION

Frank S. Bennett Jr. President

The BROWN COUNTY TAXPAYERS ASSOCIATION
Promoting Fiscal Responsibility in Government

Rep. Green to Introduce Bill Limiting Number Of Reformulated Gas Changes.

WASHINGTON – U.S. Rep. Mark Green (R-Green Bay) and Paul Ryan (R-Janesville) said they will introduce a bill to order a study on the feasibility of reducing the number of so-called “boutique fuels” in the Midwest and across the nation.

The two representatives said they want the Environmental Protection Agency (EPA) to look into whether the creation of more uniformity among gasoline blends could help ease supply problems and bring down prices.

“As families head into the summer driving season they’re having to empty their wallets into their gas tanks,” Green said. “Supply problems are a big factor in these price spikes. Many of the supply troubles are caused by out-of-control government-mandated fuel requirements. We need to look at the ways these regulations aggravate our current gas crisis and we need to fix them.”

“We have to put an end to this cycle of escalating gas prices,” Ryan said. “When the supply of gas shrinks, prices go up. We need to cut down on the number of boutique fuels in our region so we can prevent supply crunches and therefore keep prices down.”

Green and Ryan said over 40 different blends of gas are used nationwide. Nearly half of those blends are used in the Midwest.

“We believe the system could be much more efficient, and we think this study will prove us right,” Green said. “If we had, say, five different blends instead of more than 40, distribution would be far easier. Supply would likely increase and prices could come down.”

“Clean air and cheap gas can go together. We do not have to choose one over the other,” Ryan said. “As we look at regionalizing gasoline, we need more information about what it will mean in practice and the smartest way to move forward in order to protect people’s wallets as well as our air quality.

The study this legislation requests is a critical first step.”

The two said they have already secured key House leadership support for moving the bill quickly. They said they hope to see it come to the House floor during the first few weeks in June.

Under the Green-Ryan bill, the EPA study would have to be completed in a four-month time frame. The bill states that the study must address not only the broader issue of fuel-type consolidation, but also more specific issues such as meeting air-quality standards and using ethanol in any proposed Midwestern regional blend.

“When everybody has got money they cut taxes, and when they’re broke they raise ‘em. That’s statesmanship of the highest order.” . . . Will Rogers

“Death and taxes are both certain . . . But death isn’t annual.” . . . Anon

National Debt Clock Shows Improvement.

According to TopTips.com, which offers a constantly changing and up to date National Debt clock, the U. S. total national debt has actually **DECREASED** since we reported it to you on Jan. 2, 2001.

Jan.2, 2001	\$5,681,194,067,676.
Jun.6,2001	<u>\$5,667,644,699,0445.</u>
Difference	\$ - 13,549,368,631.

While this is certainly a step in the right direction, it still leaves a balance due of **\$90,262.** for every family in the U.S. In most cases this is probably more than their other existing debts, and certainly not reason for the government to look for new ways to spend money. Also, just because tax revenue is higher than expenditures at the moment should not be cause to declare a government surplus.

You can check the current National Debt at www/TopTips.Com.

BCTA Supports State Spending Limits.

Discussion at the May 17, membership meeting included the proposed budget being prepared for the State of Wisconsin, and the fact that revenue projections could prove to be short of spending proposals. It was noted that survey after survey indicates that Wisconsin taxes are amongst the highest in the nation, in both amount of taxes per capita and ability of its citizens to pay. Also, state spending has grown by more than 20% in just four years, which has done nothing to reverse this trend.

The governor has presented a proposed balanced budget containing \$46.63 billion in spending. However, legislatures have been calling for even more increased spending than contained in the governors budget, creating a potential shortfall in available revenues.

A “*Keep the Caps, No New Taxes*” pledge was presented by Rep. Frank Lasee to the Legislature on May 8, coinciding with Wisconsin Tax Freedom Day (*one week later than the rest of the country*). This pledge read, “*Because Wisconsin is the 3d highest taxed state in the nation, we the undersigned, agree to reject an budget bill that spends more than the \$46.63 billion contained in the Governor’s proposed budget. We agree to reject any budget that raised the net tax burden, or that creates any new taxes.*”

The Brown County Taxpayers Association is concerned with the steep increases in the tax burden to Wisconsin residents in recent years, and the fact that other states seem more concerned with how their money is spent. If you recall, virtually all candidates for the state legislature promised to address this problem when in Madison, and it is time to hold them to their word. **JF**

“The nation ought to have a tax system which looks like someone designed it on purpose.” . . . William E. Simon

“Lottery: A tax on people who are bad at math.” . . . Bumper Sticker

Do Our legislators Really Care About The Taxes We Pay?

By Rep. Frank G. Lasee

This has been the headline on my website lately: "Wisconsin: A Taxpayer's Hell – And Doomed to Stay That Way?" Unfortunately, the answer to that question is yes.

We've had all kinds of bad news over the past few weeks. Tax Freedom Day arrived two days later this year than last year. Wisconsin was ranked third in the nation in state and local taxes paid – higher than last year's ranking. We were also ranked seventh in the nation in the total tax burden.

In the legislature, we're currently debating a two-year budget containing \$46.63 billion in spending over two years. That's nearly \$9000 per person in the state – not per taxpayer, *PER PERSON*. It's also a \$10 billion increase from the budget we passed only four years ago.

But it doesn't look like even that will be enough for the state. A few weeks ago, on the day before Tax Freedom Day, I presented a "Keep the Caps, No New Taxes" pledge to my colleagues in the Assembly. This is what the pledge said: Because Wisconsin is the 3rd highest taxed state in the nation, we, the undersigned, agree to reject any budget bill that spends more than the \$46.63 billion contained in Governor Scott McCallum's proposed budget. We agree to reject any budget that raises the net tax burden, or that creates any new taxes.

That's it. The pledge didn't ask the legislature to reduce the tax burden. It didn't ask for reductions in spending. It would not have brought us out of the top 10 highest taxed states, and wouldn't have required major cuts in any programs.

Still, only two other legislators joined me in signing this pledge. Only two, Democrats John Ryba and Bob Ziegelbauer. I was the only Republican – the only member of the party that campaigns year in and year out on lower taxes and lower spending – to sign the pledge.

Why won't other conservatives in the Legislature support this pledge? Why won't any other Republicans put their names on paper as opposing further taxes and spending?

There could be several answers. Maybe the Assembly's Republican leadership isn't really as conservative as they said during the campaigns. Maybe they've discovered that spending more money wins them votes from people who would normally oppose them. Maybe being in Madison has made big spenders out of them. Maybe they simply didn't want to go along with a plan that wasn't their own.

Or maybe they plan to raise our taxes again.

Representative Frank G. Lasee

Madison Notes.

Following are some recent newsitems reported by the Wisconsin Taxpayers Alliance in their publications, "*The Wisconsin Taxpayer*" and "*Focus*".

Lottery Sales Fall.

According to the Legislative Audit Bureau, Wisconsin instant and on line lottery ticket sales totaled \$406.7 million in 1999-2000, down 5.0% from \$428.2 million in 1998-99 and 15.7% from \$482.1 million in 1995-96. Sales of instant ticket lottery games rose for the first time in four years, from \$230.8 million in 1998-99 to \$241.0 million in 1999-00.

State Wages Below Average.

Average 1999 wages in Wisconsin were 5.3% below the national average. State wages for occupations in the computer and mathematical category, at \$46,470 were 15.4% below the nation. Other occupational groups significantly lagging the nation were management (\$57,240, -11.6%), architecture and engineering (\$46,120, -10.6%), and life, physical and social sciences, (\$41,830, -8.4%).

Statewide average wages in construction (\$37,550, +11.6%) protective services (\$31,730, +7.09%) and production (\$26,900, +5.9%) were higher than the national norm.

Tax Help?

U. S. Treasury investigators found that 37% of random calls to the IRS went unanswered and that, when callers got through, the IRS gave incorrect answers to 47% of questions posed. Bottom line: Your chances are one in three of reaching the IRS and obtaining a correct answer to a question.

"A fine is a tax for doing wrong: A tax is a fine for doing well."

. . . Wall Sign

"We'll answer the taxpayer assistance line when you pry the coffee cup from our cold, dead fingers."

. . . Dave Barry

Things That Make Us Wonder.

The U.S. Postal Service is again adjusting its rates upward after only 5 months. Apparently E-mail and other delivery services are reducing the volume of mail they claim they need to show a profit. Any other business would adjust their expenses. Do we really need Saturday mail?

Tax breaks for selected businesses such as airlines headquartered in Wisconsin can probably be justified from time to time, but then someone else has to pay.. There are a lot of businesses in the state, large and small who would probably hire more people and make other economic contributions if they didn't have such a tax burden.

If you remember the 1980 gas shortage, we had to wait in line to get what gas was available, but the price remained stable. Now, there seems to be adequate supplies of gas despite what we are told. but the price is sky high.

On the subject of gasoline, only a couple of years ago politicians on both the state and national level were endorsing steep increases in the gasoline tax to conserve resources and maybe put a few extra bucks in the treasury. Now that that prices have risen dramatically, the same politicians have suggested lowering of gasoline taxes in order to ease the expense burden on their constituents. They know which way the wind blows.

Taxpayers are getting the bill for all the lawyer fees on both sides of the Timothy McVeigh saga, so the longer they keep him around the more they can make. I read a few weeks ago that the bill for his defense alone was already about \$82million, which is probably more than it cost to replace the building he blew up.

~~Here we go again.~~ Just when the new \$35+million county jail is about to go online the Counties Public Safety Committee discloses that it will need new facilities for work release prisoners.

The Packers have mentioned

being a million dollars or so short on their seat license fees dues to certain exemptions, etc. What will happen to the potential seat license fees from the 2,000 or so seats that they decided to raffle off to "Brown County residents" last summer. There is a total of about 5,000 bleacher seats in the new addition, which we assume will be subject to the license fee when offered for sale, and would bring \$10 million at \$2,000 each.

It seems that the City of Green Bay and surrounding communities have agreed to disagree on a plan for a joint water commission. Cost to the consumer is given as the reason. Now if the suburbs proceed to run their own pipeline to Lake Michigan, and then Green Bay proceeds to run their own second line as they propose, isn't this going to cost everyone more? Probably sharing a single additional pipeline sounds too simple, but it would seem to be adequate for quite a number of years and a lot cheaper than building two at this time. Maybe this is something for the voters to decide.

Brown County is making arrangements with the U. S. Corps of Engineers to accept bay dredgings in exchange for cash payments over the next 20 years. Hopefully this will turn out to be a good deal for all concerned if done properly. It seems that in the recent past there have been a lot of expensive legal battles and delays involving contaminated dredgings and filling of protected wetlands. We still don't know what to do with Renard Island.

How could one US Senator supposedly acting on his own do to the senate and country what couldn't be accomplished with billions of dollars of campaign financing?

Agree or not, these are things ~~that will effect our pocketbooks in the~~ months to come, and they do make us wonder.

JF

Should Social Security Benefits be Taxed?

In 1983 Congress passed legislation that taxed Social Security benefits. If your joint income (including social security) exceeds \$44,000, 85% is subject to federal income taxes as ordinary income. Supposedly, these tax funds were returned to the Trust Fund to help keep the Social Security system solvent. This was a fraud, because the Trust Fund was raided by the government so that it could continue profligate spending at the expense of the elderly. The state of Wisconsin piggybacked the federal legislation by also taxing 50% of Social Security benefits even though the tax revenues collected by the state were not going to the Trust Fund.

State Assembly Bill 405 has now been introduced to completely exempt Social Security benefits included in the calculation of your federal adjusted gross income. The bill has been referred to the Joint Survey Committee on Tax Exemptions, which is co-chaired by Representative Eugene Hahn and Senator Russ Decker, however, it has not yet been scheduled for a public hearing.

There was no justification for the state to piggyback federal legislation, since the specific purpose of the legislation was to help keep the Trust fund solvent. I would strongly suggest that our members write to their own representatives, Representative Eugene Hahn and Senator Russ Decker. We need to eradicate this type of unfair taxation.

Jim Smith -

BCTA

Articles and views appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We want to 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. E-Mail Frink@ExecPC.Com.

National Taxpayers Union Takes On E-Commerce Taxers.

There have been many stories circulating on how Congress is planning to mandate tax collections on retail sales made over the internet, and also is planning to impose a new level of federal taxes on the internet itself, even to the point of a tax on each message which you or I send. No doubt there is some substance to these rumors, as it is difficult to imagine any unit of government overlooking a potential source of tax revenue.

Representing 300,000 taxpayers, the National Taxpayers Union, (NTU), testified before the Senate Commerce Committee in March warning of the drawbacks to a plan endorsed by the National Governors Association to allow third parties collection of "universal sales taxes" on all purchases made over the internet. Among their arguments against such a plan were that nearly 11,000 state and local governments already impose taxes or fees on telecommunication activities. There are already 7,500 states, cities, and counties in the country imposing sales taxes, and it would be impossible to establish any degree of uniformity that could be centrally administered.

It was further testified that sales taxes on internet sales would discourage internet sales dramatically, and in general, prove to be counter productive. Their conclusion was, "Add the uncertain economic impact that blanket internet taxes could have on this dynamic sector of the economy, Congress should declare this tax territory 'off limits'." We agree, but unfortunately this is an issue that will likely get worse before it gets better.

Even though all states with the sales tax have "use tax" provisions, they still claim they are losing billions in revenue that they can't figure out how to collect. Some business interests are jealous of the internet and would probably like to see it stifled with regulations.

It will be important to be in contact with your Washington representatives as matters progress. There is more at stake than your pocketbook.,

May Meeting Notes.

Former Wisconsin State Treasurer Addresses BCTA.

Regular monthly meeting conducted May 17, at the Glory Years. Former State Representative, Wisconsin State Treasurer and Department of Revenue Secretary Cate Zeuske spoke about past, present, and future state budget issues. She is now the Director of Tax and Fiscal Policy for Taxpayers Network, Inc. (TNI), which, she announced, now has members in 46 states.

Ms. Zeuske began by relating a true anecdote about the administrator of a local school district who complained that his district was suffering such financial hardship that it could not afford to purchase new scissors for first graders. While this sounds like a tragic situation, she explained that there are points to be noted:

- It is not a bad thing for students to learn to share.
- Nothing prevents students from bringing their own scissors.
- Sob stories seldom lead to good public policy.
- Budgets are made to pinch.

Are we spending enough on education? She noted that the state income tax was enacted in 1911 to provide property tax relief. In the 60's, the 3 percent sales tax was enacted for property tax relief. It was increased to 4 percent and then to 5 percent for even more property tax relief.

The state legislature's commitment to two-thirds funding of local school costs provided some temporary property tax relief, but it led to a state-wide binge of school construction that was added to the tab for two-thirds state funding as well.

Where are we now? Some factions are spouting that the QEO and school spending caps must be lifted to improve Wisconsin schools, but they are ignoring reality.

Current state spending is about \$11 billion annually. \$5 billion of that goes for school aids. Another \$1 billion goes for revenue sharing with local governments. \$3-4 billion is split between the University System, Medical Assistance, and Corrections. This leaves \$1-2 billion for all other state government operations. Clearly, local schools are receiving the lion's share of state spending.

To put this in perspective, the state collects just over \$5 billion in income taxes annually. To see how school spending affects you, remember that a good share of your property taxes go to fund local

Former Wisconsin State Treas. Cate Zeuske addresses BCTA.

schools. Now, look at your state income withholding or your state income tax obligation for last year. That's all going for funding local schools, too. It takes an extra \$200 million each year to keep up with the two-thirds support commitment. Throughout Wisconsin local spending referenda provide large increases in school spending limits. The real question is how long the state taxpayers can keep paying two-thirds of what local school districts want to spend.

Mike Riley of Taxpayers Network, Inc. announced a new web site dedicated to Social Security reform: www.improvesocialsecurity.org. His organization is making Social Security reform a top priority for this year. They also have a new website at www.taxpayersnetwork.org.

The next BCTA meeting is scheduled for June 21, at the "Glory Years". Details on the back page of this "TAX TIMES."

BCTA Meeting and Events Schedule.

Thursday - June 21, 2001, BCTA Monthly Meeting. Glory Years.
Washington St., Inn, 347 S. Washington St., Green Bay.
12:00 Noon. Open discussion of current events.

Thursday - July 19, 2001, BCTA Monthly Meeting. Glory Years.
Washington St., Inn, 347 S. Washington St., Green Bay.
12:00 Noon. Program to be announced.

Thursday - Aug. 16, 2001, BCTA Monthly Meeting. Glory Years.
Washington St., Inn, 347 S. Washington St., Green Bay.
12:00 Noon. Program to be announced.

Please mark your calendar. There will not be a TAX TIMES for July.

Regular BCTA meetings held the third Thursday of each month at the
Glory Years (either Nicolet or Vince Lombardi rooms)
Washington St. Inn. 347 S. Washington St., Green Bay

All members of the BCTA, their guests and other interested persons
are cordially invited to attend and participate in these open meetings.
Phone 336-6410 or 499-0768 for information or to leave message.
Price - \$6.50 per meeting - Includes lunch, tax and tip.



**SUMMER
2001**

Note: There will **not**
be a "TAX TIMES"
published in July.

"The art of taxation consists in so
plucking the goose as to obtain the
largest possible amount of feathers
with the smallest possible amount of
hissing." . . . **Jean B. Colbert**

"Ideas of fairness in taxation are usu-
ally nebulous." . . . **Ray Blough**

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New Members are Always
Welcome.**

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The TAX TIMES

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