
◆ The TAX TIMES ◆

Volume 16, Issue 10

Newsletter of The Brown County Taxpayers Association

October, 2001

A COUNTY SALES TAX?

A year ago we voted on imposing a County sales tax for Brown County. The question received 47% yes and 53% no. The question will be asked again and we need to be ready with our position.

About seven years ago, our organization did an in-depth study of the effects on county spending with and without a ½% county sales tax. The primary conclusion from the study is spending increased substantially in counties that added the sales tax. The increased spending on a percentage basis was higher for the counties after they added the sales tax. We asked then and would ask again, why? Best guesses may be that counties get used to spending and don't know how to stop.

Brown County last year predicted a \$4 million deficit this year. The year is coming to a close and we hear how financially sound we are. It is difficult to understand how such a change could happen in such a short period of time. As County spending gets closer to the cap, we will hear how a long-term fix is to implement a county sales tax. With bonding going up every year, we are getting closer to the cap faster. When the value of the property in the county increases by 10%, the county will automatically collect 10% more money in taxes. When the property value increases by 10% and our taxes go up by 1%, our spending increased by 11%. This is the root of our problem. Even with substantial increases in property values, our taxes continue to increase. The spending must be controlled.

Juneau County passed a sales tax to pay for a new jail. When the jail was paid for the county decided to keep the sales tax. Washington County passed a sales tax in 1999 to pay for capital requirements. The tax is to expire in 2006 unless the board acts to extend the tax. State law dictates that the ½ % sales tax is to be used to reduce property taxes. In 2000, higher than expected sales tax revenue was used to renovate the Washington County owned Old Jailhouse Museum (\$400,000) and to improve the sound system at Fair Park (\$125,000). Over half a million dollars in property tax relief was spent for things the county hadn't even budgeted. This is another example showing where starting a county sales tax only leads to increased spending by the local politicians. We must not allow that happen in Brown County.

Brown County will be electing County Supervisors next spring. We all need to be aware of where they stand on a county sales tax and if they would even let us vote on such an important issue. The issue is spending, and we need to be vigilant in keeping the amount of money we give to government limited.

BROWN COUNTY TAXPAYERS ASSOCIATION

Frank S. Bennett Jr.

President

The BROWN COUNTY TAXPAYERS ASSOCIATION

A Letter From Trent Lott.

The BCTA has been greatly concerned with both the stability of the Social Security trust funds, and the fact that when Social Security benefits are paid to senior citizens, for many of the recipients who have other retirement income, become subject to federal and state income taxes.

This is the result of a 1993 tax bill which subjects up to 85% of benefits for single taxpayers earning over \$34m or \$44m for joint returns. The announced purpose of this tax was to enhance the Social Security trust fund, but has ended up in being used for other purposes. The state of Wisconsin also takes advantage of this provision but only taxes 50% of benefits. The \$34,000 threshold probably applied to only a small proportion of retirees in 1993, but today with more people making better plans for their retirement it has become a considerable income tax expense burden. What it amounts to is the government paying benefits you have earned with one hand, and taking a sizable portion back with the other.

BCTA director Jim Smith has written letters to both state and federal representatives regarding this tax, urging its repeal or modification, and has received encouraging responses from Congressman Green, Senator Feingold, The White House and other government officials as well as our representatives in Madison on the state level. Of particular interest is the following received from U.S. Senate Majority Leader Trent Lott, which acknowledges the problem and offers some encouragement.

“Dear Mr. Smith”

Thank you for writing to me about taxes imposed on Social Security benefits. I believe this is an issue of utmost importance to seniors across America, and have been a longtime advocate for eliminating the double taxation of Social Security benefits.

When the Social Security program was first established, we did not intend for benefits to be taxed at all. In fact, Social Security benefits were exempt from federal taxes for half a century. However, a financial crisis within

the program during the eighties combined with President Clinton's desire to fund new programs in 1993, led to the taxation of Social Security benefits. Seniors who worked hard and earned a modest income now find that anywhere between 50 and 85 percent of their benefits are now taxed. This is misguided and punishes hard-working and productive seniors.

The 1993 tax increase on Social Security benefits is clearly an unfair tax. It penalizes senior citizens for exactly the wrong reason - saving to achieve financial security for their retirement. In addition, the tax unfairly punishes those seniors who desire to continue working and contributing to society during their golden years.

At a time when the federal government is faced with the future bankruptcy of the Social Security program, it seems wrong that the government should discourage seniors from working, saving and investing, because they will have to forfeit a large majority of their Social Security check to taxes. Seniors work a lifetime paying into the Social Security program, with the expectation that they will get back at least what they put into the system.

Last July, when considering the Death Tax Elimination Act, the Senate voted in favor (58-41) of repealing President Clinton's 1993 tax increase on Social Security recipients' benefits. I also voted to repeal this tax increase. Ultimately, all extraneous provisions were stripped from the final package and today the tax remains. I am hopeful that should an opportunity arise, we will again consider repealing this tax.

Thank you for taking the time to write. I appreciate hearing from you on this most important issue. *Trent Lott*”

While it is likely this issue will be put on the back burner while more pressing national problems are resolved, we believe it is important enough to keep writing your elected officials to consider some action. You can call Jim Smith at 983-1721 to receive more information.

“JUST THE FACTS”

Key Economic and Social Indicators for Wisconsin. Everyone attending the Sept. 20, BCTA meeting received a copy of the new Taxpayers Network booklet, “*Just The Facts,*” which compares Wisconsin with the other 49 states on 48 different tables, using the latest US Census Bureau or other reliable information available.

It lists Wisconsin as having the 18th largest population among the states, and many of the comparisons place us in the middle of the pack, or close to the national average. However, there were a couple of comparisons where our ranking was troublesome.

Wisconsin was ranked 21st in per capita income at \$27,390, but this is still \$1,152 below the national average of \$28,542. However, we ranked 6th in state and local government taxes per capita, and 7th per \$1,000 of personal income. Our state income tax per capita ranked #7. We were #11 in property taxes per capita. We spend over \$1,200 more per medicaid recipient than the national average, and \$1,300 more per public school pupil than the national average.

Copies of this book may be obtained from Taxpayers Network, Inc. (262) 375-4190, or you can E-mail them at www.TaxpayersNetwork.org.

“When I was young, I used to worry about where my taxes were going. Now I worry where they're coming from.”
... Anon

“The only people who say worse things about politicians than reporters do are other politicians.”
... Andy Rooney

“Being president is like being a jackass in a hailstorm. There's nothing to do but stand there and take it.”
... Lyndon Johnson

“I think if you are too stupid to know how a ballot works, I don't want you deciding who should be running the most powerful nation in the world for the next four years.”
... George Carlin

Legislator Makes Pledge To Vote Against Tax Increases.

"I Frank G. Lasee, Pledge to the taxpayers of the 2nd Assembly district of the State of Wisconsin and to all the people in this state, that I will oppose and vote against any and all efforts to increase taxes."

That is the pledge I and three of my colleagues in the Wisconsin State legislature have taken to prevent any and all attempts to raise our taxes. They are Sen. Welch (R), Rep. Suder (R), Rep. Ziegelbauer (D) and myself. Unfortunately we are only four out of 132 Legislators or 0.02%. State legislators across the nation are taking this pledge to stop raising taxes. In Minnesota 77 state legislators have signed this pledge. That is part of the reason that this year, residents in the state of Minnesota are receiving rebate checks. While Wisconsin is raising the tax on cigarettes and selling the tobacco settlement revenues so that we can spend \$450 million of this one time money to balance our budget. At the same time we eliminate, \$300 million a biennium, in on going tobacco settlement money.

The lack of taxpayer protection pledge takers is one of the reasons that Wisconsin is the third highest taxed state in the nation. The runaway spending and accounting gimmicks have caused our bond rating to be lowered, thereby increasing the cost of borrowing. These gimmicks of using settlement revenues and delayed payments are only helping cover up the truth. The truth is every year we spend more money then we take in, continuing to cover-up the truth with accounting tricks. The "under delay payment" gimmick alone will create an estimated \$800 million structural debt at the end of this biennium.

Legislators who haven't taken the Taxpayer Protection Pledge will try to tell you that they also don't want to raise our taxes. The truth is that they are willing to raise our taxes. The simple fact that they are unwilling to pledge otherwise indicates this. I urge you to talk with your Representatives and Senators to take the Americans for Tax Reform Pledge not to increase our taxes. We need to get Wisconsin out of the top ten highest taxed states in the nation.

Frank G. Lasee, 2nd Assembly Dist.

County Sales Tax is Not "TAX RELIEF."

In the September "TAX TIMES", we included an article which concluded that residents of Wisconsin counties imposing the .5% sales tax for county purposes were paying an average of \$68.00 more per capita than resident. of counties without the extra tax. This despite the fact that this tax is often referred to as bringing "property tax relief." This was based on data provided the Wisconsin Taxpayers Alliance by the Dept. of Revenue.

It was brought to our attention that we should compare the 13 state counties with over 100,000 population as being more like Brown County, with similar economies and the need for county services. The data is from 1999, which was the most recent available.

These figures are the taxes for county purposes only. The average tax per capita in the 6 counties with the sales tax is \$272.72, while in the 7 counties without it is \$233.25. A difference of almost \$40.00. The sales tax only applies to the county portion of your property tax bill, which is usually about 25% of the total. It does not apply to local school district or municipal taxes.

"Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, to assure the survival and success of liberty."
... **John F. Kennedy**

"The business of government is to keep the government out of business—that is, unless business needs government aid."
... **Will Rogers**

"A fine is a tax for doing wrong. A tax is a fine for doing well."
... **Wall Sign**

"When it comes to finances, remember that there are no withholding taxes on the wages of sin."
... **Mae West**

VISIT OUR WEBSITE
www.BCTaxpayers.

THINGS THAT MAKE US WONDER.

Just a few weeks ago you, I and our elected officials were occupied with such items as "The patients bill of rights", whether the Boy Scouts deserve any United Way contributions and other issues of political "correctness", winning the lottery or the new fall TV schedule. These issues all became rather insignificant in just one day of terrorism. It will take some time for this to play out, and we hope and pray for the best. If there is any good to come from this waste of life, money and loss of complacency, it's that it is comforting to see people work and think together, display their patriotism and generosity, re-evaluate their religious beliefs, and perhaps realize that their own individual priorities aren't necessarily guaranteed.

It won't last forever, but it was good to see both sides of Congress agree and support the President in his actions. Too bad they can't do this more often rather than disagree on issues simply for the sake of disagreeing.

While international terrorism will probably always be a threat to our way of life, instances of violence by domestic groups in recent years that seem to go unpunished. Legitimate business's have been destroyed in Wisconsin by animal rights activists. We hear of various environmental groups causing damage and disruption to promote their causes which may or may not be in the interest of the general public.

~~Wouldn't you think that when the Motor Vehicle Department charges \$45 for their annual renewal sticker they could at least afford to send you a return envelope for their remittance? Might even make people send in their money a little sooner and save them some work.~~

~~Government spending in recent years is possibly higher as a consequence of revenue coming in faster than projected due to our booming economy. Our politicians can find it easier to spend surplus funds rather than prepare for a rainy day. Unfortunately much of this spending is now "locked in", and~~

will present real challenges to governments and taxpayers alike if the economy goes downhill as many qualified observers predict. Already some Wisconsin counties are complaining about a drop in sales tax revenues. Paying taxes is not much of a priority if you are unemployed.

~~We realize the importance of~~ keeping the airline industry up and running and that they are suffering some extraordinary financial losses due to recent events. What the future holds remains to be seen. Their employees have a reputation for being well paid, but not necessarily efficiently managed. Whether these employees are more entitled to a government handout more than other industries suffering economic problems is a matter of debate and perhaps should have been debated more.

~~Ashwaubenon voters have~~ approved a referendum authorizing additions to two elementary schools at a cost of \$9.7 million plus interest. Additional expenses for air conditioning and operating expenses were defeated, however. This again proves that if the need for school expenses are properly presented, the taxpayers who pay the bills will approve. However, we have publicly stated in the past that these referendums should be conducted on the day of a regularly scheduled spring or fall general election. That is when the majority of voters go to the polls, not just anytime at the convenience of the school district when a smaller amount of concerned citizens is making the decisions, one way or the other, for the majority.

~~Proper security at Lambeau Field is more critical than ever, and we~~ appreciate the fact that local law enforcement agencies are always able to handle Packer games and still be available for other emergencies in the city and county. It was mentioned that additional security for the Sept. 24th game cost \$12,000, and normally the cost is \$25,000 for about 50 officers for each game. This would equate to about \$500 per officer. We appreciate

they are not actually paid that much individually, but it would be interesting to see how this security expense is distributed. Wasn't there a hefty increase in ticket prices this year to cover security and other municipal expenses attributed to the Packers?

~~Apparently the Brown County board is considering a referendum to~~ gauge public opinion on a cooperative agreement between Brown, Outagamie, and Winnebago counties to combine their recycling and waste disposal facilities. Obviously this is a problem that will become more acute (expensive) as time goes by due to stricter environmental standards and a shortage of land-fill space. So far the solutions seem to be hauling it by truck and dumping it in someone else's backyard or sorting it out by hand and calling it recycling. It is unfortunate that better solutions than filling holes in the ground with garbage for posterity have not been developed. One solution would be to offer tax incentives for developers who come up with viable uses for recycled materials rather than treat them as another source of tax revenues.

Cooperation between counties could be a good idea if it could produce significant savings and look further than 5-10 years down the road. This seems to be more of a problem for scientists rather than politicians to solve. Agree?

~~While Mr. ben Ladin continues to keep us preoccupied, there are other items in the news which could cost us as~~ taxpayers. Green Bay teachers are starting to negotiate a new two year contract calling for a 3.8% increase in wages and benefits plus smaller class sizes. The new state budget calls for substantial spending increases based on the premise that the economy will provide the necessary revenues. While private employers are making workforce cuts, 28,000 state workers in neighboring Minnesota have decided this is a good time to go on strike for higher wages and benefits. Let's hope this doesn't spread, There's lots to wonder about. **JF**

"Mark your calendars"

BCTA Annual Meeting

Thursday, October 18, 2001

12:00 Noon at The "Glory Years"

in The Washington St. Inn

347 S. Washington St., Green Bay, WI

Speaker: **Paul Thormodsgard**

Executive Director,

Green Bay Metropolitan Sewerage District.

We have asked Mr. Thormodsgard to speak on the organization of the GBMSD and its relationship with the communities and industries it serves.

Review of BCTA Activities During Past Year

Nomination and Election of Directors and Officers, and discussion of plans for the coming year.

All BCTA members, spouses, and other interested parties are cordially invited to attend and participate in this important meeting.

Cost - \$6.50 per person (includes meal)

Payable at door.

Cate Zeuske and Amy McGee Polasky of Taxpayers Network, Inc., address the Sept. 20, BCTA meeting.

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.

September Meeting Notes. TNI Experts Explain Social Security Trust Fund Scam.

Regular monthly BCTA meeting conducted Sept. 20, 2001 at the Glory Years, Green Bay.

Cate Zeuske, Director of Tax and Fiscal Policy and Amy McGee Polasky, Director of External Affairs of Taxpayers Network, Inc. (TNI) spoke about the Social Security trust fund and teachers health insurance issues. They explained that U.S. Government trust funds are not at all what we perceive trust funds to be. In fact, these Government trust funds:

o Are not required to hold real assets.

o Have no obligation to pay benefits.

o Have no fiduciaries responsible for the funds collected.

o Permit the tax dollars collected to be spent for any government purpose.

In reality, Social Security tax dollars go to the U. S. Treasury, where they are "credited" to the Social Security Trust Fund. The excess Social Security tax dollars may then be spent for any government purpose.

By 2015, Social Security benefit payments are projected to exceed Social Security taxes collected, so deficit spending will begin. By 2038, with no changes, the "credits" in the Social Security Trust Fund will be exhausted, and the fund will collapse. Actually, the "credits" in the Social Security Trust Fund will need to be covered from the general fund of the U. S. Government. This means that the crisis actually begins in 2015, when taxpayers must start covering annual Social Security shortfalls with additional taxes.

The Wisconsin Retirement System, with funds carefully invested, is a vivid contrast to the Social Security Trust Fund full of IOU's. This seems to be the direction needed for the Social Security Trust Fund. Taxpayers Network, Inc. has a web site dedicated to Social Security reform: www.improvesocialsecurity.org.

The TNI representatives presented a report from the Wisconsin Policy Research Institute, *Health Insurance for Public School Teachers in Wisconsin*. The report states that 85 percent of Wisconsin public school districts purchase health insurance for their teachers from a health insurance company owned by WEAC, the state teachers union. Most of these districts have permitted bargaining the selection of their health insurance provider, giving up their rights to bid it competitively. As a result of the high premiums from the WEA Insurance Company, the report estimates that \$50 million could be saved annually if Wisconsin teachers were included in the state employee insurance pool. For the Green Bay school district, which is self-insured, the report estimates annual savings of more than \$3 million if Green Bay teachers were in the state employee insurance pool.

The next BCTA meeting is scheduled for Thursday, Oct. 18, at the "Glory Years." Our speaker will be Paul Thormodsgard, Director of the Metropolitan Sewerage District in Brown County. We have asked Paul to outline and discuss the unique organization of this district, and its relationship with the communities it serves. This meeting will also serve as the BCTA annual meeting, at which time new directors of the organization will be elected. This will be an important meeting, and we ask that all BCTA directors and interested members make it a point to attend. It will be held in the Nicolet Room of the Glory Years. Details on the back cover of this *TAX TIMES*.

Dave Nelson - Secretary

BCTA Meeting and Events Schedule.

Thursday - October 18, 2001, BCTA Annual Meeting
Glory Years, Nicolet Room, 347 S. Washington St., Green Bay
12:00 Noon. Cost, \$6.50, includes lunch & tip.
Review of past years BCTA activities.
Nomination and election of Directors and Officers.

Speaker - Paul Thormodsgard
Executive Director - Green Bay Metropolitan Sewerage District.
We have asked Mr. Thormodsgard to speak on the organization of GBMSD and its relationship with the communities and industries served.

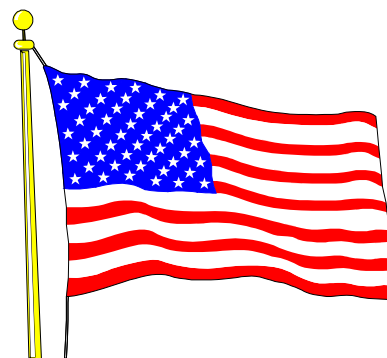
PLEASE PLAN ON ATTENDING !

Thursday - November 15, 2001, BCTA Monthly Meeting, Glory Years
12:00 Noon. Program to be announced.

Thursday - December 20, 2001, BCTA Monthly Meeting, Glory Years
12:00 Noon. Program to be announced.

Regular BCTA meetings are held the third Thursday of each month at the Glory Years in the 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 meetings. Phone 336-6410 or 499-0768 for information or to leave message. COST - \$6.50 per meeting - includes lunch.



October, 2001

Attend the BCTA Annual Meeting
October 18, 2001

SUPPORT THE BCTA
New Members are Always
Welcome.
Call 336-6410 or 499-0768
Write us at P. O. Box 684
or visit our website
www.BCTAxpayers.Org
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The TAX TIMES

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Inside This Issue

A County Sales Tax?
A Letter from Trent Lott.
“Just The Facts.”
Legislator Pledges NO TAX INCREASE.
County Sales Tax is Not Tax Relief.
Things That Make Us Wonder.
BCTA Annual Meeting Notice.
and more.