

In for a Nickel, out for a Dime...

Politicians and school referendum proponents have more in common than you might think, both make promises they can't keep and for which likely won't be held accountable, While a politician can vow to cut your taxes, a school referendum proponent can infer not to raise your taxes ... too much.

Trusting proponent's referendum numbers is risky at best, but whether spending \$75 million, \$65 million or even \$60million these are big debts to ride the numbers on. And when \$9 million or so is a backlog of picayune projects like roofs and heat... well, no biggee, right, we can afford it?

Where are the 2,000 kids coming from? Why does the district drop 120 or so alternative H.S. students from the rolls? "Cause they can". For whatever reason, proponents do not include the full count for alternative students, and distrust for their numbers grows.

Some say build it and they will come. We need an upscale school to attract people. But look at the back-drop: real estate sales, home values and home starts are down, which is just peachy for home loan originators like me. Ha, ha. Many indicators show continued slowdown, while not dramatic, do we need a new school now? Are we trying to hit bottom so we have nowhere to go but up?

The actual increase for 2005/2006 was 42 students. The first semester 2006 showed a drop in enrollment; I wonder how the second semester count goes. Let's not see a free Pizza lunch on count day, let truancy work it's magic.

Well it's better than the original \$75 million proposal, which had been set to crush the state record for plumpest turkey, er, referendum. The school board reconsidered, and reduced the figure to a mere \$65 million or so. I still feel like we're getting the short end of the wishbone.

In taxpayers terms we will be paying an additional 10-cent per thousand right away and forgoing a 37-cent per thousand reduction from retiring debt. And in 2010 or so we should expect another 18-cent per thousand bonus from the School District for a grand total of around 65-cent per thousand, if their numbers hold up.

Now, let's toast our magnanimous Gov. Diamond Jim Doyle for the extra \$850 mil he gave schools in his last budget to implement his version of a tax freeze. Think how much more we'd have to ask for if he didn't rob the transportation fund for us. Now everyone's crying about gas tax increases, well slap my mouth shut.

Here's the topper; Referendum Proponents filled with the courage of their convictions, want a strong vote of confidence from the community, so they proposed a February referendum – these February Referenda votes need to be outlawed due to the historically low turnouts.

One last question. Why no Open Community Forum with all sides invited? Former East High Principal, Terry Fondow, is holding two Forums in January that the District and the Board will not attend. Is it because the numbers just don't square up?

Pusillanimous. That is the only way to describe the approach to and the flight from one of the largest capital school expenditures in the history of Wisconsin.

Looks like a Nickel, but it's really a Krugerrand.

Richard Parins - President

National Debt Update.

We are beginning the year 2007 with a National Debt of \$8,597,057,291,248. You can give or take a few billion if you use cash accounting or a few trillion if you use the accrual method. Politicians may use either depending on their audience.

That's about \$468+ billion more than last year at this time, or **ONLY 5.7%** in Congressional talk. This may be considered an improvement as the debt increased almost **50%** in the five years from Jan. 1, 2002 to Jan. 1, 2007.

Don't worry. In March of 2006 Congress quietly passed a bill to increase the debt to **\$9 TRILLION** so it's all legal.

Taxpayer Survey in February TAX TIMES.

We plan on including our yearly survey of taxpayer concern items in the February Tax Times. If you can think of any questions that you would like so see covered, please send me an E-Mail at BCTA@Execpc.com., or give me a call at 336-6410. Thank you. Jim Frink.

BCTA Dues Notices.

We are pleased that most of the members sent dues notices in December have responded, and the support we receive from our membership is most gratifying. We have managed to keep our dues schedule the same since we were organized 22 years ago, and believe it is a good investment to have a voice in matters that concern the taxes you pay.

Indication are that 2007 will be a busy year for taxpayers and we appreciate the continued support of our members. If you have any question as to the status of your BCTA dues please E-Mail or call me at the address in the above article. Thank you.

"Time and money spent in helping men do more for themselves is far better than mere giving."
. . . Henry Ford

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, E-Mail BCTA@ExecPC.Com.

The QEO: A "Roadblock to Reform" or the Last Line of Defense for Taxpayers?

Five weeks before the November election, if Governor Doyle had issued a press release saying that he intended to raise taxes and he wasn't exactly sure how high they might go, do you think the result of the election might have been different?

Five weeks after the election, he has shared the plan that he and his partners in the Wisconsin Education Association Council (*WEAC, the state's teachers union*) have in mind for taxpayers. The Governor's proposal is the top item on WEAC's Christmas wish list: **the repeal of the QEO.**

According to Governor Doyle, the Qualified Economic Offer, or QEO as it is commonly known, is "broken and it needs to go." Governor Doyle's spokesman told a reporter last week that the QEO has "really become a **roadblock to reform.**"

The QEO is the roadblock preventing education reform in Wisconsin? The Governor says our public education system in Wisconsin needs reform. Apparently, the Governor feels that teachers need to be paid more. No mention of paying teachers based on performance, just pay teachers more. That qualifies as "reform" in the Doyle administration.

The QEO was invented in 1992 (along with revenue caps) to keep property taxes down. It worked. In the five years before the QEO took effect, school taxes increased by about 8.5% per year. In 1994, the first year the caps took effect, taxes grew by 5.1%. In some years following that, the growth in school taxes has been less.

Wisconsin cannot afford to climb the list of the highest-taxed states in the nation anymore than we already have. We have to bring our tax burden down because it will help our economy grow. The QEO is part of an important protection for taxpayers.

How does the QEO work? Each year, a school district must offer its teachers a **minimum** raise of 2.9% in salary and 5.4% in benefits to avoid arbitration with the local teachers union. How many of you reading this today receive a guaranteed **minimum** increase in your salary and benefits every year you are employed?

WEAC and the Governor would not be willing to give up this **guaranteed, minimum increase** if they did not expect things to get better for WEAC members after the QEO is gone. Despite what you might hear during the Badger and Packer games, WEAC is in the business of getting more for its members.

Greater education spending increases are on the horizon if the QEO goes away. This means higher property taxes for all.

We spend nearly \$11,000 per child annually to educate children in this state. If we had no revenue controls, or the QEO that makes the revenue controls work, we would be spending more and our taxes would be even higher.

The QEO must stay in place. It is a critical piece of legislation that protects taxpayers in this state. The balance we have struck in this state is working. If we spend more, we have to tax more. Wisconsin is spending enough.

If school districts want to increase spending, they should have to make their case to the people footing the bills, the taxpayers. That is how it works now and 70 percent of the people in our state want to keep it this way. We should not allow the Governor to break the back of school revenue caps through a back-door method. Revenue caps that can be overridden by a referendum provide a good balance and should be left in place.

I will oppose attempts to repeal the QEO because it is an important protection for taxpayers. The QEO makes school revenue controls work and that is good for taxpayers.

Rep. Frank G. Lasee

An Expensive Solution in Search Of A Problem. Would free tuition justify the cost?

It is generally acknowledged that a high proportion of our college graduates seek employment in states other than Wisconsin, mainly because sufficient high paying jobs requiring their education do not exist here.

A commission was formed by the University of Wisconsin to evaluate their system and find ways to encourage graduates to remain in the state after graduation. The commission reasoned that reversing this "brain drain" could boost the states economy by encouraging more high tech employment which in turn could result in more tax revenue, etc.

Their solution was to offer free tuition at state colleges to students who would agree to stay and work in Wisconsin for a period of ten years after graduation. There has been considerable interest and publicity on the proposal, largely from business groups seeking qualified employees, and the University system, which always seems to be seeking more money to spend.

If this proposal were to be taken seriously, there would be many questions to be answered. Who would qualify for free tuition in the first place? Would qualifications be financial, grade tests, aptitudes, racial background or what? Maybe everybody should qualify. Would applicants be required to take certain courses such as engineering or accounting that business requires, or would any of the myriad of diversified and obscure courses offered by the University system qualify? Would out of state applicants be accepted because they say they want to live and work in Wisconsin after graduation? Would future employment have to be guaranteed before starting? What if absolutely no jobs were available after the 10 years? What if the graduate agrees to stay here but doesn't get a job to his suiting or education? Some students don't seem to have future employment in mind. Could someone who just graduated be reimbursed?

The reason the above questions are important because the entire proposition concerns a matter of money, and lots of it. At present, it is reported the University system takes in about \$800 million in tuition and fees from its 160,000 students. In addition, the state (taxpayers) adds another \$990 million of support. Endowments and scholarships probably make the bulk of the balance of their \$4.1 Billion budget.

While we are all proud of our state colleges and their educational accomplishments, it seems they have difficulty setting an example of fiscal responsibility to taxpayers. Instructors and staff are often seeking large salary increases claimed necessary to match other states. The overall number of employees or what they all do is seldom questioned. Expense items such as buildings or equipment are often placed on the "fast track", with the result that tuition increases have risen rather rapidly in recent years. The state finds it difficult to provide additional funding.

Another question is how well those who came up with this plan projected both the cost of the plan, and a realistic estimate of any tangible estimates down the line. Remember the primary selling point is the future benefit to our economy, not the shifting of present financial resources. The entire education system has shown a desire and ability to use every financial resource available for its perpetuation. Other needs for taxpayer

dollars or the adverse effects of higher taxes on citizens are of no concern.

Who would benefit from such a plan? Obviously the University system would have increased authority over taxpayer spending. Students taking advantage of the plan? Yes, as long as they commit to living in Wisconsin. It seems many government benefit packages are initiated to fill an existing or perceived need that can be sold to taxpayers. There is always a class of people who can worm their way through the bureaucracy, fill out the paperwork and talk to the right people to take advantage of the handout while those for whom the benefit was originally intended go unnoticed. How many programs or projects sold as economically beneficial to and necessary to everyone in the long run have actually met their promise?

While the cost of attending college is sky high and rising, the schools do not seem to suffer from a lack of applicants or students. Those in need have many sources of assistance available. It also appears cost reduction methods could be applied to education just like any other service we receive making college more affordable. It is still the desire to gain an education and prepare for the future which keeps the system going.

Proponents claim this plan would benefit the states economy, but how would business actually gain? Unless the state strikes oil under the Capitol Building, implementing this plan or any part thereof is going to cost taxpayers (*including business*) hundreds of millions each year. From all reports, the number one problem business has with Wisconsin are the high taxes across the board and doing business with the state government. The same basic reasons new business doesn't like to come here and the reason wealthier retirees leave the state as soon as they can. It would take a few years for graduates under this plan to become available, and by then due to taxes there may be even fewer employment opportunities available to pursue.

In business, demand for a product or service dictates the need to supply. What the plan does is increase supply without demand. If business were to first create a need for graduates, would they come on their own?

While we realize the plan was well intended, and advisory in nature, such a high level group should have arrived at a more practical solution. First and foremost make it easier for Wisconsin students to attend their state colleges and universities.

It is the schools job to produce efficiency experts and consultants, and they should set an example of efficient fiscal management for all to follow. Recently four year campuses have been accepting core credits earned at the lower cost technical and two year schools, and this program could be expanded. Find out exactly what type of graduates business is looking for and make sure the system is able to deliver. Encourage students to pursue these careers rather than irrelevant courses with limited financial potential. Technical colleges operate this way and they have excellent job placement records.

Another possibility, if the business groups claiming to support this plan believe providing free college education at the expense of others is such a good idea, they could be asked to choose students of their choice and pay their tuition until such time as they graduate and go to work for them. Hopefully this entire proposal will die of its own weight. **Jim Frink – BCTA**

Wisconsin total State and Local Tax Collections, 1996-2006 (\$ Millions).

Source: November 2006, Wisconsin Taxpayer, Wisconsin Taxpayers Alliance.
(608) 241-9789, E-Mail: Wistax@Wistax.org. www.Wistax.org.

December Meeting Notes.

Monthly BCTA meeting Dec. 21, 2006 at Tiletown Brewing Co.

Tina Bunker, of Johnny B. Homes, an east Green Bay Home construction company, spoke in favor of construction of the fifth high school for the Green Bay School District.

Ms. Bunker began by explaining that in 1968, about 40 percent of Brown County home starts were within the City of Green Bay. By 1993, that percentage had dropped to 22.4 percent. In recent years, that percentage has been in the high teens near 20 percent. This is a clear indication that population growth has shifted to the communities outside Green Bay. She stated that construction amounts to about ten percent of the Green Bay economy, and that Green Bay has high quality home construction. About 12,000 acres remain for development in east Green Bay, she noted.

Ms. Bunker stated that Preble High School is overcrowded and that students there are afraid to walk the halls. She also stated that the referendum is about more than construction of the new high school. It includes projects at other schools, security upgrades, fiber optics, and annual operating costs for the new high school.

At its December 20 meeting, the Brown County Board voted for the concept of a new Mental Health Center, at about half the cost of the \$32 million Mental Health Center Project that was being promoted four years ago by those county supervisors leading the charge for this project at that time.

Concerns about a county property tax increase of almost four percent as reflected on property tax notices sent to City of Green Bay property owners proved to be unfounded. When corrections are completed, City of Green Bay residents should see, on average, about a one percent decrease from last year. County taxpayers will be paying, on average, about the same county property taxes they paid four years ago on their individual properties, although some districts may have higher tax rates due to reassessment or local tax increases.

The newest candidate for Brown County Executive, State Senator Alan Lasee, gave a brief perspective on his candidacy. He explained that during his 32 years in the Wisconsin legislature he has remained true to his principles. He will continue to focus on taxes and spending, with the goal of improving cohesiveness in county government. He will try to instill the same decorum and respect that marked his tenure as President of the State Senate. Other issues needing attention are crime and personal responsibility. He stated that he will campaign positively.

The next meeting is scheduled for Jan. 18, 2007 at Tiletown Brewing. Details on the last page of this *TAX TIMES*.
Dave Nelson – Secretary

Education for all is just a bad dream.

Wisconsin is failing minority and low-income students. Plain and simple. Of the 10 issue areas featured in the Appleton *Post-Crescent's* end-of-year "Editorial Agenda Update", at least six are critically reliant on our schools performing – performing much better than they do now – and performing better and better around the state, not just here in our cozy, cuddly Fox River area backyard.

Think about it. Success in these six important "Issue" areas – labeled by the Post-Crescent as Economic Development, Fiscal Responsibility, Education (of course), Government Accountability, Working Poor, and Citizenship have at their core a well-performing education system.

Then think about this. According to The Fordham Report 2006: How Well Are States Educating Our Neediest Children?, Wisconsin is doing a dreadful job in closing the achievement gap between the haves and the have-nots. The difference in achievement scores between Wisconsin white and African-American students is in the dead-last position – tied with Minnesota.

Something's wrong with that. And what's also wrong is that this dreadful divide drags the whole state down with it.

Ah, but you say (as do many), Wisconsin's ACT scores rank at the very top in the nation.

Those ACT scores help all of us ignore what is going on with the neediest among us – primarily students in the Milwaukee Public Schools.

Those Key Issues. How can we move Economic Development in Wisconsin forward, given this MPS albatross? How can we ever think of Fiscal Responsibility (to me that means first and foremost balancing the state budget) with billions of dollars spent to gain such dismal results for low-income and minority students? And Government Accountability? We are all failing the failing school districts in our state. And we're failing many minority and low-income students among us in the Fox Valley. How can the Working Poor move forward without an education? How can folks who need to make a difference, be good at Citizenship when the educational system fails them?

And talk about government accountability – how do our state standards compare with others? Another recent Fordham report, *The State of State Standards, 2006* states, "Solid standards matter because they are the foundation of standards-based reform, the dominant education policy strategy in America today." The Fordham Foundation reports that Wisconsin is among the states that not only hasn't improved standards since "No Child Left Behind" was enacted in 2000, but instead, has weakened state standards! States were graded on standards that each set in the areas of English (Wisconsin scored a C), Math (D), Science (F), U.S. History (F) and World History (F). Wisconsin's state standards score a rousing F+. Very, very bad.

We've got work to do in Wisconsin when it comes to educating the economically disadvantaged among us. Access to affordable health care is first and foremost in most everyone's mind. But we dare not, must not, ignore the need for accountability, much less for high expectations and high standards for, and high achievement by, all students in our state.

Jo Egelhoff, FoxPolitics.net.

(Sign up for a daily news summary and commentary by E-mailing news@FoxPolitics.net.)

"Politics is too serious a matter to be left to politicians."

. . . Charles de Gaulle

"If you think health care is expensive now, wait until you see what it costs when it is free."

. . . P. J. O'Rourke

“Taxes.”

Tax his land,
Tax his bed,
Tax the table
At which he's fed.

Tax his tractor,
Tax his mule,
Teach him taxes
Are the rule.

Tax his cow,
Tax his goat,
Tax his pants,
Tax his coat.

Tax his ties,
Tax his shirt,
Tax his work,
Tax his dirt.

Tax his tobacco,
Tax his drink,
Tax him if he
Tries to think.

Tax his cigars,
Tax his beers,
If he cries, then
Tax his tears.

Tax his car,
Tax his gas,
Find other ways
To tax his ass.

Tax all he has
Then let him know
That you won't be done
Till he has no dough.

When he screams and hollers,
Then tax him some more,
Tax him till
He's good and sore.

Then tax his coffin,
Tax his grave,
Tax the sod in
Which he's laid.

Put these words
upon his tomb,
"Taxes drove me
to my doom..."

When he's gone,
Do not relax,
Its time to apply
The inheritance tax.

Accounts Receivable Tax
Beer Tax
Building Permit Tax
Cigarette Tax
Corporate Income Tax
Capital Gains Tax
Dog License Tax

Federal Income Tax
Federal Unemployment Tax
Fees in Lieu of Taxes
Fishing License Tax
Food License Tax,
Fuel permit tax
Gasoline Tax
(42 to 75 cents per gallon)
Hunting License Tax
Import Tax
Export Tax
Inheritance Tax
Interest expense
Inventory tax
IRS Interest Charges
IRS Penalties (tax on top of tax)
Liquor Tax
Luxury Taxes
Marriage License Tax
Medicare Tax
Property Tax
Real Estate Tax
Service charge taxes
Social Security Tax
Road usage taxes
Sales Taxes
Recreational Vehicle Tax
School Tax
State Income Tax
State Unemployment Tax
Telephone federal excise tax
Telephone federal
universal service fee tax
Telephone federal, state and
local surcharge taxes
Telephone minimum usage
surcharge tax
Telephone recurring and
non-recurring charges tax
Telephone state and local tax
Telephone usage charge tax
Utility Taxes
Vehicle License Registration Tax
Vehicle Sales Tax
Watercraft registration Tax
Well Permit Tax
Workers Compensation Tax
and more.

COMMENTS: Not one of these taxes existed 100 years ago, and our nation was the most prosperous in the world. We had absolutely no national debt, had the largest middle class in the world, and Mom stayed home to raise the kids. What happened?

And we still have to "press 1" for English!
From the Internet. Author unknown.

Reassessment Can Be Expensive.

A recent Press-Gazette article stated *“Allouez property tax rate to drop.”* While true that the property tax rate itself dropped, it didn't necessarily mean that Allouez residents 2006 property tax bills would be lower. In some cases it was much to the contrary.

Even though the 2006 reassessment and new construction boosted the Villages overall assessed value by 29%, the net 2006 property tax rate dropped less, \$7.15 to \$5.67, a drop of 26.1%. Some village properties checked on the county website had valuation increases in excess of 40%, resulting in sizable tax increases. If your property value increased the average 29% through reassessment, your tax bill for 2006 would increase at \$16.43 per \$100,000 of valuation.

100,000 x \$7.15M = \$715.00
129,000 x \$5.67M = \$731.43
difference + \$ 16.43 (2.299%)

Reassessment in any municipality can be a problem, and we are sure Allouez was not unique. While the increase in valuation was often offset by the decrease in the tax rate, some residents saw their property tax bills change substantially from the previous year. Up or down as much as 10% or more, and without adding taxable improvements. This appears to be due to varying market valuations for certain classes of property as determined by the assessors methodology used to establish a “fair market value”. In all fairness, we note that tax bills in some Brown County communities increased by as much as 10% or more without reassessment.

Somehow, however, it seemed that residents with property valued at under \$150,000 were more likely to have large increases of as much as \$200 or more. This is contrary to the governor's statement that property taxes had increased an average of .3%, or \$7.00 per homeowner last year.

One problem is that if future tax rates increase (a likelihood), those who's assessment increased the most will have the largest proportionate property tax increases.

By law the assessed valuation on your property is the fair market value, or the price you could sell it for on the market at the time. It is the assessors duty to establish this value. Purchase price, location, condition, improvements and the present market for a certain price range are all factors to be considered. We acknowledge that the method used to determine property values by all jurisdictions is fair and honest. In this case they compared recent sales of nearby properties with an assumed estimated current sales value similar to yours.

The problem is that even with a reassessment notice, one doesn't become overly concerned with the implication until you tax bill arrives and by then it's too late. If you have property in Brown County and want to compare it's assessed valuation with others you can easily do it on the web at **www: Co.Brown.Wi.Us/**. Have your property tax bill or description available. Click on “property search” and you will find all the information you want.

Remember you as the property owner are responsible for accepting the value placed on your property and adjustment procedures are available.
Jim Frink - BCTA

Things That Make Us Wonder.

After years of studies, hearing, testing and publicity it does not seem that there is any consensus as to what to do about cleaning up the Fox River.

Environmental groups continue to insist that every bit of contaminated material be removed, regardless of the cost or who pays for it. Plans to dredge the sediment and ship it elsewhere by truck would be outrageously expensive and likely cause other problem. A plan to remove part of the sediments and cap the rest may not be practical.

In the meantime, we see reports that water quality has been improving on its own due largely to stricter standards on known sources of pollution.

* * * * *

The U.S. Census Bureau reports that the median family income in Madison is \$64,264 compared to \$35,765 in Milwaukee. A difference of \$28,500. A lot of excuses were given for the differential. Perhaps if Milwaukee were the state capitol and had the university payroll it would be the other way around.

* * * * *

A recent article in the "Press-Gazette" reports the DNR and EPA still threatening to fine the Brown County Central Water Authority and participating communities \$25,000 per day if the 65-mile pipeline project to Manitowoc is not completed by their December deadline. They presently are having problems tunneling through bedrock deep below the Fox and Manitowoc Rivers.

There have been numerous delays on this project, mostly political that were no fault of water customers who had been depending on their elected officials to provide an adequate source of potable water at a reasonable price. These customers will ultimately pay any fines levied which is only adding injury to insult.

* * * * *

"Sick Leave" is a benefit offered by many employees which provides their salary for a limited number of days each year if they are sick, unable to work, and could spread infections in the workplace. Unfortunately the privilege is often used as an extra day of vacation and is expen-

sive to the employer as no work is received for a days pay. Some employers allow sick days to accumulate one year to the next, or even offer a bonus if days are not used.

The state, however, has a far more generous plan. Days are allowed to accumulate and added as a prepaid health care benefit at time of retirement. Even legislators were included though they only work part time during the year, and are not responsible for the amount of time they work. It's another big expense for taxpayers.

* * * * *

The Wisconsin DOT is seeking additional funds for their projects with registration fee or gas tax increases or both. Last year \$400M was moved from the segregated transportation to balance the state budget which has not been replaced. This amount would pay for a lot of highway improvements. Also, the transportation fund which is provided by the license fees and gas taxes has been used to subsidize mass transit and bike trails even though these activities do not contribute to the transportation fund.

In a later news item, the DOT announced plans to delay 50 projects around the state due to "lack of funds." In this area making hwy. 41 four lanes between Oconto and Peshtigo, has been delayed another 3 years despite a high accident rate. This seems to happen every time the DOT wants to soften up the public for more money. It almost seems too much of their budget is spent on planning and not enough on implementation.

* * * * *

The word is that Gov. Doyle's January inauguration is being sponsored as a fund-raiser by the Boys and Girls Club of Wisconsin. Large corporations, tribal gaming interests, and others were asked for up to \$50,000 each as donation to the Club, which in turn will sponsor events around the state and retain any profits. Something like sponsoring a church supper.

This way the governor will make everyone happy. Governor gets a big gala inauguration. Taxpayers don't get stuck with the bill. Corporations get a deductible donation to charity

plus a little political influence at the same time. Apparently this is the common practice for this kind of affair. It must be legal as Attorney-General elect JB VanHollen is using the same technique only on a much smaller scale.

* * * * *

Despite overwhelming statewide voter approval (59%) of the amendment describing marriage, the UW board of regents insists on including domestic partner benefits for University employees. They claim to be the only Big 10 school not offering this benefit, and this is necessary in order to attract and retain quality staff members. There was no estimate given of the cost of providing this benefit.

The regents also asked for a 5.23 percent annual pay increase for all employees for the next two biennia plus salary increases of \$8-\$15,000 increases for the chancellors at Oshkosh, Parkside and Green Bay. The regents also approved background checks of all new employees. In the meantime, various groups are supporting a plan to offer free tuition to Wisconsin students who promise to stay and work in the state for 10 years after graduation. Perhaps the regents are ashamed of their recent tuition increases and want to divert attention.

* * * * *

An article in the January 2007, "Budget & Tax News" estimates that nationally, unfunded state and local government health care costs for retired employees could total as much as \$1.4 Trillion. For comparison that is about 1/6 the size of the entire U.S. National debt. Add to this another \$700 Billion for unfunded employee pension plans and another \$1.9 trillion for state and local government bond debt and you may have a problem. By comparison the National debt grew by only \$468 Billion during 2006.

A new federal accounting rule requires states and large local governments to report how much they owe for medical benefits promised to retirees. Wisconsin's share was not disclosed.

* * * * *

A group called "Institute For Wisconsin's Future" recently disclosed that 2 out of 3 Wisconsin Corporations paid no income tax in 2003. They argued



that as a result individuals have a greater tax burden. Their list included 26 out of the 35 largest companies. This seems a little unusual as it seems the number one complaint of doing business in Wisconsin has been the high tax burden.

Through the years it has been suggested by many authorities that the Wisconsin corporate income tax be eliminated to encourage more investment in the state. It is unlikely this will happen anytime soon though. As it is, corporations have many more tools available to avoid paying taxes plus staffs of attorneys who are knowledgeable with tax laws. Also it was noted that many corporate tax breaks have been written into the laws even though they may no longer be necessary.

While we don't condone business not paying their share of taxes, much of this is the result of lobbyists earning their fees and incentives approved by the legislature at some point in time to encourage development and employment in the state

Obviously if it was true that state corporations are illegally avoiding the payment of taxes it would be a matter for the Departments of Revenue and Justice to resolve.

* * * * *

Now that the elections are out of the way, the Governor and Legislature are tackling the problems of campaign ethics and financing.

First they plan on merging the state elections board with the ethics board to create a Government Accountability Board to enforce campaign finance, lobbying and election laws. They propose putting this board under the direction of a panel of retired judges.

A list of judges would be created by the state Court of Appeals and submitted to the Governor to appoint a list of nominees who in turn would be approved by the Legislature. This board would be charged with drawing and enforcing election guidelines including financing. Proposals for public financing will have to be resolved, along with what controls can be placed on "issue" ads not necessarily sponsored by a particular candidate and contributions from special interest groups.

No doubt both major political

parties will cooperate as long as they feel the other is not gaining an advantage. Finding a panel of non-partisan judges could be the first challenge considering rulings made favoring the Governor by the supposedly non-partisan state elections board during the last election.

It is obvious that a panel selected by the Governor and approved by the Legislature could be slanted depending on what party is in charge.

Weren't many of these retired judges political appointments in the first place?

Next will come the issue of financing including limits, sources, and how used. Public financing has been proposed, and this will be a complete new issue. There are enough demands now for taxpayer money without raising more to pay for the obnoxious ads that put politicians in office.

* * * * *

Highway #41 is receiving a lot of attention as being a dangerous place to drive. In addition to a high number of drivers mistaking 41 for a NASCAR track perhaps the DOT should take some blame before demanding higher gas taxes and registration fees.

In Green Bay, despite two expensive make-overs during the past ten years there are still a number of hazardous on and off ramps with poor vision and short acceleration lanes plus the dangerous compound curves at interchanges.

While money may be a problem, it seems in the past a lot been spent for looks rather than for safety.

* * * * *

A recent item in *USA Today* claims the IRS wants online auction services such as E-Bay to require a Federal Tax ID# from customers.

They figure people are selling merchandise at a profit and not necessarily reporting income (or sales) tax. While the IRS may have a point, it could also be a lot of effort for little return. Examples are making banks and other financial institutions require social security numbers from all customers and furnish form 1099's accordingly. A few years ago they mandated that persons employing domestic help

withhold taxes and FICA the same as any employer. They then assumed that all waitresses collect a ton of tips and required restaurant owners to withhold and submit taxes accordingly.

Although we all know the privilege is abused by many, the U.S. tax system is somewhat unique in that individuals are trusted to report their own taxable income to the government. The more paperwork and levels of control that are imposed the less trust people have.

One conservative estimate claimed \$300 billion lost to the government yearly through tax evasion. At the same time the IRS is reducing staff and personal contact with taxpayers. People not reporting income often realize what they are doing is wrong. Maybe a better job of auditing returns would do a better collection job than imposing a lot of rules and paperwork that doesn't work.

* * * * *

A coalition of anti-smoking groups in Wisconsin has proposed raising the state cigarette tax by \$1.00 a pack to \$1.77. The goal is to "discourage" smoking and provide funds for anti-smoking advertising and fund health related projects. They forgot that this is what the big federal tobacco settlement a few years ago was supposed to do but Wisconsin opted for an early payout at a fraction of the value to balance the state budget .

They claim that the increase could raise \$70 million a year less a little for those who give up smoking (or find a place to buy cigarettes cheaper.) Tribal outlets and websites have long sold cigarettes at reduced prices. In Wisconsin, tribes add the state tobacco tax, but also receive a 70% rebate from the Dept. of Revenue.

* * * * *

The production of ethanol in Wisconsin has been praised as one solution to the energy shortage and our dependence on foreign oil. Several new plants are up and running. One problem has been that this has created a demand for corn as a raw material, and the price has risen as much as 77% since 2005.

This in turn has increased costs for dairy farmers and others using corn, and will likely mean increased costs at the supermarket for cereals, dairy products and meat.

* * * * *

It has been one year since the Dept. of Revenue started its "Web Site of Shame" whereby the names of delinquent taxpayers owing balances in excess of \$25,000 were publicized. As a result, over \$15 million has been collected so far. We congratulate Rep. Frank Lasee for pushing this law. Check www.dor.state.wi.us/html/delqlist.html to see if you are listed.

* * * * *

Somewhere deep in the Wisconsin Statutes book is an archaic requirement that municipalities, counties, and school districts publish their meeting minutes, notices and other legal matters in their local newspaper. This was a well-intentioned idea to let people know what was going on. Public disclosure provides a necessary service although we doubt many people read or understand what this information is all about.

Problems are that through the years many local newspapers are no longer in existence, and the price of these listings has become a major taxpayer expense. In Green Bay for example, the cost exceeds \$50,000 per year yet they are printed in such a small type font it is impossible to read them without a magnifying glass.

One suggestion would be to publish these notices on the Internet. This service is available and accessible to all at little or no cost, plus making legal notices from the whole state available to interested parties without buying a lot of papers.

Realtors, attorneys and others who use this information on a regular basis should find it easier to obtain plus their could be a big savings for taxpayers. We acknowledge it would probably take a change in state law to make this happen, but this is also the 21st Century.

* * * * *

We can appreciate and understand the NFL's flexible programming of late season games to accommodate TV coverage and the money it brings to the league. Unfortunately it also shows a complete disrespect and slap in the face for the loyal fans who fork out a goodly sum of money for season tickets to attend the games in person and then have their travel arrangements, hotel reservations

and other personal plans changed at the very last minute. Many business's are finding their plans adversely changed also.

* * * * *

Somebody figured marijuana is the biggest cash crop in the US, with a value of \$35 Billion annually. However, since it is illegal, do any of the profits by raisers get reported as taxable income?

While we certainly do not advocate legalizing the stuff, it appears there are some big time problems here someplace.

* * * * *

It seems there is never a shortage of ideas to raise money for the state. An article in the Journal/Sentinel reports Rep. Fred Kessler of Milwaukee has suggested the value of unused or expired gift cards issued by merchants go to the state treasury. He claims it could amount to millions of dollars per year which could go to support schools, healthcare or roads. He would allow the merchants 20% of the value they report to pay for processing.

We are sure the merchants of Wisconsin will greet this proposal with open arms.

* * * * *

The Washington D. C. based Tax Foundation released a report showing Wisconsin property taxes are the nations highest in relation to the value of owner-occupied homes. For 2005, the median property tax on owner occupied homes was \$2,777, or 1.82% of the value of the property and taxes took 4.79% of the median income for homeowners. The highest ratio in the nation.

The Wisconsin Alliance of cities blamed high property taxes on the fact local governments have few other options for raising revenue and the Wisconsin Assn. Of School Boards criticized the fact that not enough money was raised through other means such as income and sales taxes to support school funding.

In other words, while our total tax package is already one of the highest in the nation, many of our elected officials think perhaps our tax bill should be higher.

* * * * *

We congratulate the Green Bay Metropolitan Sewerage District and Director Paul Thormodsgard for receiving the highest efficiency rating of all the cities in the entire Great Lakes region from a Canadian environmental group. This sets an example for other cities.

* * * * *

While our warm winter (to date) has us wondering if global warming has arrived, the weather bureau reports that December was only the 8th warmest on record going back 100 years or so.

As usual, lots of things to wonder about.

Jim Frink

* * * * *

"Things That Make Us Wonder" consists of thoughts that occur to us, mostly taxpayer related in some way, that come to mind during the days news events. Some are relatively unimportant and probably not worth commenting about. Others could easily be expanded to full length feature articles worthy of further study and action to protect our interests as taxpayers. We try to cover a wide variety of subjects in a limited space and put a different spin on items from what you read in the papers or see on TV. We acknowledge that our perspective of some issues in this column may be contrary to that of some our readers. However, one of our purposes is to encourage debate, as we realize there are two sides to every question. Comments are always welcome as well as suggestions for items to include in this section of the "TAX TIMES."

"The American wage owner 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

"The politician's promises of yesterday are the taxes of today."

. . . Mackenzie King

VISIT OUR WEBSITE
www.BCTAxpayers.Org
EMail, BCTA@ExecPc.Com

The TAX TIMES

Brown County Taxpayers Association
P. O. Box 684
Green Bay, WI 54305-0684

PRSR STD
U. S. Postage
PAID
Green Bay, WI
Permit No. 255

Inside This Issue

In for a Nickel, our for a Dime.
National Debt. Update.
Taxpayer Survey in Feb. Tax Times.
The QEO: Roadblock to Reform or Line of Defense?
An Expensive Solution in Search Of A Problem.
Total State and Local Tax Collections – 1996-2006.
December Meeting Notes.
Education for all is just a bad dream.
“Taxes.
Reassessment Can Be Expensive.
Things That Make Us Wonder.
and more.

The TAX TIMES - January, 2007

BCTA Meeting and Events Schedule. MARK YOUR CALENDARS.

- Thursday - January 18, 2007. BCTA Monthly Meeting. 12:00 Noon.**
TITLETOWN BREWING Co., 2d Floor Meeting Room.
Unfinished business from 2006. BCTA Board structure.
Plans for 2007 activities. Membership survey.
- Thursday - February 15, 2007. BCTA Monthly Meeting. 12:00 Noon.**
TITLETOWN BREWING Co., 2d Floor Meeting Room.
Program to be announced.
- Tuesday - February 20, 2007. PRIMARY ELECTIONS.**
Also: \$65 Million GREEN BAY SCHOOL REFERENDUM.
Be Sure to VOTE !
- Thursday - March 15, 2007. BCTA Monthly Meeting. 12:00 Noon.**
TITLETOWN BREWING Co., 2d Floor Meeting Room.
Program to be announced.

Unless otherwise notified, BCTA monthly meetings are held the Third Thursday of
Each month, 12:00 Noon, at the Tiletown Brewing Co., 200 Dousman St.

Meetings are open to the public.

**BCTA Members, their guests and other interested parties are cordially invited
to attend and participate in our open discussions.**

COST: \$7.00, Payable at meeting. Includes lunch, tax & tip.
Call Jim Frink — 336-6410 for information or to leave message.

January, 2007



“The idea that you can merchandise candidates for high office like breakfast cereal—that you can gather votes like box tops—is, I think, the ultimate indignity in the democratic process.” . . . Adlai Stephenson

“Truth is the glue that holds governments together.” . . . Gerald Ford

SUPPORT THE BCTA

**New Members are Always
Welcome. Call 336-6410
Write us at P. O. Box 684
or visit our website
www.BCTaxpayers.Org
for Details.**