# The TAX TIMES

March, **2009** 

Newsletter of the "BROWN COUNTY TAXPAYERS ASSOCIATION."

Volume 24, Issue 5

## This Fear Thing...

Hello fellow taxpayers. It seems that I, like everyone else I know, have been so pre-occupied with surviving work that I'm late gathering my thoughts for this month's anti-tax screed. If our "leaders" intended to keep us worried and off balance, it worked. I just can't wait for Diamond Jim and Barack Almighty to come out very soon with the time-worn, time-tested quote, "the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance."

We've already suffered Nanny Pelosi's 'To the victors go the spoils' speech on that Dem stimulus bill: "Yes, we wrote the bill. Yes, we won the election." To de victor go de spoils. I understand. But why is it Diamond Jim McTax and his Democratic minions despoil their own state?! It seems every other news report has the President or Governor spending and taxing, then spending and taxing, but don't forget the blaming and slamming the businesses and corporations part.

Sure, the economy is in a funk. But I agree with Yogi Berra: the economy is 90% mental the other half is physical. Taxpayers need confidence, solid ground under our feet, the feeling that we're standing on the bottom and can push off for the surface. How can confidence take hold when the bottom is mushy with crisis, crisis, and crisis talk? How do we get there when our President and Governor seem determined to chase the job providers out of the state?

This is not a chicken or the egg issue; jobs come from those people or corporations (groups of people) who put their money, sweat and ideas at risk, then take additional risk by employing other people to accomplish their objectives, to produce something to sell at profit. Wow, what a concept! Well, if our "leaders" keep on kicking these risk takers, very soon you won't have them to kick around anymore. There's a reason companies cross borders and oceans. Our Legistocrats in the state senate are currently putting together a bill that puts a \$10k per employee primary wage lien on every company in the state that goes belly up. That's a new \$7,000 per employee cost/burden on employers.

Let me get this straight: They want to ensure workers are paid first in bankruptcy by forcing more employers into bankruptcy, another economic oxymoron. It's a sophisticated formula a common sense guy like me can't understand. Can you imagine what the companies like P & G are thinking in their board rooms: "We need to sail out of that Badger State before they sink us."

I've been paralyzed, like a Wisconsin Whitetail in the headlights, but we need to get a real mean and scrappy Badger attitude, if you know what I mean, the junk yard dog, tear up the thieves but don't bite the hand that feeds your way of thinking. We're been living easy, cushy on credit, that we forgot the elbow grease, spit and determination that made us a formidable state. And now our government is going soft, putting it all on plastic, digging us deeper.

Well, it's time to tap into the fear I feel around me, that me and my fellow workers carry home. Will there be a job, can we keep our homes? This government spending like a credit card junkie at T.J. Maxx or Gander Mountain, shooting for that shopper's buzz, as we all know, ends up creating bills we can't pay. We have learned our lesson. We must live with less. And, folks, that means less government too.

Richard Parins - President

## The BROWN COUNTY TAXPAYERS ASSOCIATION

Promoting Fiscal Responsibility in Government

#### The 2009 Taxpayers Survey.

Thank you to our members and other readers who took the time to complete our annual survey. We had an excellent response. This year we tried to focus on current issues and concerns, and it was apparent from the returns and comments that respondents were familiar with the issues and gave careful thought to their answers.

The results will be useful in determining our position on issues of government policy and taxation. We acknowledge that some questions served to reinforce the principles of our organization but also to serve as a reminder to our elected officials that the views of taxpayers should be respected.

Unfortunately the survey was prepared before the Presidents stimulus bill was prepared and approved as we certainly would have directed more questions to your thoughts on the subject. Below are the Survey Questions and your responses given by percentages.

#### The "Healthy Wisconsin" health plan is a top priority of the Wisconsin Senate. What are your thoughts?

#1 – This is a good and necessary plan and should be implemented as soon as possible. YES 3.4% NO 96.6%

#2 – This may be a good idea but give more thought as to its Cost and consequences. YES 61.9% NO 38.1%

#3 – Availability and quality of insurance and healthcare is presently satisfactory and adequate. YES 69.9% NO 38.1%

#4 – Let the Federal Government decide what to do with health care. Not a state problem. YES 30.0% NO 70.0%

#5 –The \$16 Billion annual cost would drive more business from Wisconsin. YES 91.9% NO 8.1%

Comments: Govt. should not be in the business of providing Health Care or Issuance, Federal plan would level playing field for Wis.., Keep all Govt. our of health care, Let the people who won't work fond their own health care, 1st stage of socialized medicine, The hodge-popge private health care is driving business and govt. broke, Wis. <u>Is not</u> business friendly, more govt. involvement of any kind will mean an "unhealthier" Wisconsin, close the borders and get Government out of health care.

<u>Conclusions:</u> If 97% say no it is not a good idea. Very bad for Wisconsin at a time when economy is poor. People satisfied with present system.

## Public school expenses account for about 50% of property taxes and are rising. Your thoughts.

#6 – The QEO "Qualified Economic Offer" should be maintained to control prices and property taxes. **YES 95.3% NO 4.7%** 

#7 – Capital construction and large budget increases should require voter approval as at present. YES 98.4% NO 1.6%

#8 – Extra curricular items such as bands, field trips and sports could be reduced to save money. YES 70.0% NO 30.0%

#9 – Innovations such as 4-Yr. Kindergarten, reduced classroom sizes, etc., should be postponed. YES 96.8% NO 3.2%

#10 - School budgets should have spending precedence over City and County budgets. YES 10.2% NO 89.8%

Comments: School benefits should be reduced to more realistic level, school budgets should be evaluated by committee, schools should manage their spending like everyone else, we over-subsidize college student tuition with no requirements,, public schools should all be privatized, a failed referendum should wait 2 years before trying again, what's next?-3 year than 2 year kindergarten?, those that use the system and can afford it should fund extra items, students that can afford cell-phones and go out for lunch can pay for extras, govt. at state and local level should not involved in education, WEAC has no business running our schools.

<u>Conclusions:</u> The QEO and spending referendums are about the only protection taxpayers have protecting them from unlimited school spending. New innovations usually are expensive and do not always show positive results. School budgets and spending are important but so is police and fire protection, highways and snow removal.

## The Wisconsin State Budget is anticipated to have a \$5 Billion deficit this year. Your thoughts.

#11 – This is inexcusable. The state should spend within its means with what it can afford. YES 100.0% NO 0.0%

#12 – Taxes and fees should be raised if necessary to fund programs approved by the Governor. YES 5.1% NO 94.9%

#13 – A deficit is no problem as it can be bonded for payment in the future like the Fed. Government. **YES 1.7% NO 98.3%** 

Comments: Cut state employees and benefits just like business has, the national debt is already a disaster, state government spending could & should be dramatically reduced, yes-the deficit IS a problem, cut spending from union labor costs, business must operate without deficits-so should governments, some states do not have problems-we should see how they do it, Doyle is a crook, govt. unions are draining us big time, Doyle needs to cut-cut-cut, the level of waste deserves impeachment.

<u>Conclusions:</u> <u>Everyone</u> who completed the survey agreed that the state budget deficit is inexcusable. Taxes and fees should only be raised when necessary, not for new programs during a recession. Bonding for deficits is also inexcusable.

## Do you approve of the following methods used or suggested to balance the State Budget:

#14 - Transferring segregated funds raised and intended for other purposes to the general fund? YES 00.0% NO 100.0%

#15 – Raising sales taxes to include more items, including internet purchases or increasing the rate? YES 16.1% NO 83.9%

#16 – Adding sales tax to hospital services because it would be reimbursed by the Federal Govt.? YES 10.2% NO 89.8%

#17 – Adding more tax auditors to the Dept. of Revenue to collect evaded or delinquent taxes? YES 57.1% NO 42.9%

Comments: Fund transfers are immoral, tax internet purchases, stop spending like idiots, spend within our means and cut the waste, stiffer penalties for tax evasion, cut corporation tax rates, fund transfers are immoral, add auditors if cost effective, make them do their jobs.

<u>Conclusions:</u> Again all respondents agreed it was wrong to transfer money from segregated funds for other purposes, this has been used by Gov. Doyle to remove about one Billion from the transportation fund which was then passed on to taxpayers through higher gas taxes and license fees. As a result the DOT has to borrow and pay interest for their projects as well as keep raising their fees to operate.

## Property taxes have increased while the values of residential property have dropped. Your thoughts.

#18 – A complete re-assessment to reflect current property values of residential properties. YES 62.5% NO 37.5%

#19 – The current depreciation of property values is temporary and will increase with the economy. YES 72.2% NO 27.8%

#20 – High property taxes are a direct cause for the large number of foreclosures. YES 27.6% NO 72.4%

Comments: Re-assessment is expensive and would result in higher tax rates which could carry through when values are higher, leave them alone for awhile, Property taxes are forcible stealing of property and should be abolished, reasonable budgets require reasonable taxes regardless of mill rate, stop taxing us for things we don't have, tax on property is a form of rent paid to govt., the state Dept of Revenue needs to apply a revised equalized value by region, all taxes are excessive in Wisconsin.

<u>Conclusions:</u> Although in many cases the assessed values of property may be more than their sales value, re-assessment does not guarantee the correct value either. This would not necessarily reduce property taxes.

## The State of Wisconsin claims it needs \$1.2 Billion for new prison construction. What are your thoughts?

#21 – This is a necessary expense to protect people and punish those who break the law.

YES 34.5% NO 65.5%

#22 – Incarcerate dangerous criminals but find other ways to punish non-violent law breakers. YES 90.5% NO 9.52%

#23 – Re-write laws for punishment of non-violent crimes. Prisons are too expensive to operate. YES 82.8% NO 17.2%

Comments: Release all those in prison having committed victimless crimes, cut percs & put prisoners to work, much swifter justice would be a deterrent, bring back the death penalty, round up every illegal in prisons and send them back to Mexico-then prisons will have room, try more preventive crime measures, many county jails are under-populated, deport all Mexican illegals back to Mexico, too many people in prison now-this isn't Siberia, non-violent criminals should have segregated-less expensive facilities.

<u>Conclusions:</u> While prisons are recognized as a high but necessary expense, ways to reduce prison populations should be explored.

#### Wisconsin tribes, along with others, want to build a Mega-Casino near Kenosha. What are your thoughts?

#24 – Wis. voters approved a referendum limiting new gambling casinos and enough is enough. YES 88.9% NO 11.1%

#25 – This would be good for the state and should be allowed in order to provide money and jobs. YES 8.8% NO 91.2%

#26 – Casinos only take money from people and do not provide sufficient revenue to the state. YES 86.4% NO 13.6%

#27 – Casinos are good for the economy and provide a needed form of recreation for many people. YES 7.0% NO 93.0%

Comments: Government has no business gambling with taxpayer money, what all the tax breaks for native Americans?, tribes should pay more taxes on their gambling revenues, casinos only make money for casinos, we have to pick up the tab for gambling addiction a social problems caused, casinos should pay their share like any other business, there should be more transparency in the odds at casinos, no ATM's at casinos, raise the states share, tribes operating casinos should pay more for services they receive, if the state can run a lottery why don't they run the casinos?

<u>Conclusions:</u> Respondents seem to agree that there are sufficient casinos already in the state, and that they do not pay sufficient revenue to the state in return. (Other states receive higher rates of return than Wisconsin.)

## What steps should the state take when the economy is bad? What are you thoughts?

#28 - Cut back to necessary services, freeze wages and hiring, and hold back on new spending. YES 97.0% NO 3.0%

#29 – Cut red tap and give priority to legislation that will encourage new business and employment. YES 95.2% NO 4.8%

#30 – Increase spending on public works projects to provide employment and help the economy. YES 17.5% NO 82.6%

#31 - Increase unemployment benefits and offer health care benefits to all unemployed. YES 20.3% NO 79.7%

Comments: Cut Corp taxes-give incentives for capital expenditures, increase public works spending only if from Fed grants, it's not the job of government to solve all problems, some available jobs pay less but keep you from living off of others, we gave money to GM to keep Janesville plant open & it didn't work-we need better control of corp welfare, borrowing never got anyone out of bankruptcy, would be willing to pay highway tolls to improve roads, public works contracts should be open to all contractors, don't spend money that isn't

here, why should Wisconsin rush to spend money when the Federal govt is?

Conclusions: The responses overwhelmingly chose to cut state spending, cut red tape and encourage business development, not spend tax-

ing, cut red tape and encourage business development, not spend taxpayer on public works projects that can postponed, or to extend unemployment & health care benefits beyond what is prudent and affordable. The Governor & legislature is doing exactly the opposite on every count.

## #32 – If you where President Obama, what should be your most important priorities. Give your top 5 choices.

(Results are by percentage of respondents listing as one or top 5 concerns.)

1.	National Defense and the war on terrorism	74.6%
1.	Employment and the economy (tie)	74.6%
2.	Balancing the Federal budget	71.8%
3.	Illegal immigration, protecting our borders	68.7%
4.	Concern over the National Debt	67.7%
5.	Campaign finance reform, Ethics in politics	46.3%
6.	Supplying energy for the future	35.9%
7.	Foreign affairs & maintaining world peace	25.4%
8.	Global warming and saving the environment	4.5%
8.	A national health insurance plan (tie)	4.5%
9.	Bringing "Change" to America	3.0%
Other shoices. End shortion Follow Constitutional Oath of Office		

Other choices: End abortion, Follow Constitutional Oath of Office, Issue of morality & Character, resign, Prepare for next financial crisis, cutting tape & spending, reduce income taxes, return economy to sound money.

<u>Conclusions:</u> We hate to say it, but President Obama's list seems to be an exact reverse of what the respondents to our survey selected.

## So far Federal Bailout incentive commitments are approaching \$1 Trillion (\$1,000,000,000,000.00) What are your thoughts.

#33 – This is a necessary investment of taxpayer money and will show positive results. YES 12.3% NO 87.7%

#34 – There is no justification to adding this to the National Debt for future generations to pay. **YES 87.9% NO 12.1%** #35 – Payments to corporations, states, etc., should be loans

with provisions for repayment. YES 96.7% NO 3.3%

#36 – Should federal bailout money be used to pay state and local budget deficits? YES 7.9% NO 92.1%

<u>Conclusions:</u> Based on the above results, it appears that the vast majority of respondents are skeptical of Pres. Obama's and Congress's bailout plan and that it will be a huge burden on the future economy. Corporations and states should be expected to repay any loans or payments they receive, and that it is not the Federal Governments responsibility to bail out any state that spends themselves into a hole. (Like Wisconsin.)

## Adequate sources and supplies of energy will be an ongoing problem for our country. Do you agree?

#37 – Plenty of energy is presently available and we shouldn't worry about it.

YES 11.9% NO 88.1%

#38 – Ample energy is available from present sources. It is a matter of getting it to market. YES 47.5% NO 52.5%

#39 – We can depend on alternate energy for all of our future needs and stop using fossil fuels. **YES 3.6% NO 96.4%** #40 – We should develop offshore and other reserves and

develop alternative fuel sources. YES 96.9% NO 3.1%

<u>Conclusions:</u> The supply of energy is not infinite. Energy is presently available but new sources should be developed. Alternate sources sound nice but will not solve our energy problems. Continued on next page

"A government which robs Peter to pay Paul can always depend on the support of Paul." . . . George Bernard Shaw

## National Health Care is an issue we will hearing more of. What are your thoughts?

#41 — Reducing care cost should have priority over mandatory insurance and participation.

YES 90.3% NO 9.7%

#42 — Mandatory Health Care is badly needed and should be a top priority of government.

YES 8.3% NO 91.7%

#43 — Health care is generally satisfactory, cost and disruption of govt. care not be worth it.

YES 77.6% NO 22.4%

Conclusions: There are a lot of ways to make health care less expensive.

Mandatory health care is NOT needed and the government should not be

## Illegal Immigration is an issue that Washington seems to be ignoring. What do you think?

involved. People are generally satisfied with the way the system works.

#44 – This is a serious problem, but is being ignored for various political reasons.

YES 90.6% NO 9.4%

#45 – This is a serious problem better addressed through proper immigration channels.

YES 89.1% NO 10.9%

#46 – This is not a problem, immigrants should be welcome as citizens legal or otherwise.

YES 3.3% NO 96.7%

#47 – Proof of U.S. Citizenship should be required for Social Security, driver license, or to vote. YES 97.0% NO 3.0%

Conclusions: This is one of the top problems facing the country and people are concerned. It appears to be ignored for political reasons. It may not be such a problem if handled through proper channels with quotas, etc., as handled in the past with new immigrants.

## The past election indicates a need for campaign finance and ethics reform. What do you think?

#48 — It is apparent that elected officials show favoritism to their campaign donors.

#49 — Second party sponsors and revenue sources should be subject to campaign laws.

#50 — Political campaigns should be financed by public money to eliminate conflicts of interest.

YES 30.5% NO 69.5%

Conclusions: Respondents agree that meaningful campaign finance and ethics reform is in order. Public financing of political campaigns has been discussed but would require large amounts of taxpayer money.

# #51 – Should Congress and our legislature refuse pay raises as an example of cutting government spending? YES 95.1% NO 4.9%

<u>Conclusions</u>: Both Congress and the State Legislature receive automatic pay raises each new session. While this year a small percentage refused these raises, most accepted them, while at the same time calling for pay freezes on government employees and talking fiscal responsibility.

## #52 – What do you perceive as the greatest problem facing the state and nation at this time. Your comments.

"Refusal to live within our means, Nationally: Government has moved far beyond its constitutional limits, State: Addicted to spending and "helping" us, Increased fees, taxes, & regulations are stifling new business development, Greed by all Americans-we must work together for better economy. Lack of a realistic foreign policy-2 ongoing wars-debt & the need for job creation, Free handouts do not work, negative impact caused by illegal and green card holders, Devaluation of the dollar, Politicians are not trustworthy, Return economy to sound hard money-not worthless paper, Obama & the democrats + 75% of republicans-out of control spending, Wasteful govt spending, What the hell does "change" mean?, We are rapidly becoming a socialist country! God help us all, Hope and Change-Had that been identified before the election we wouldn't be where we are, Incompetent-useless-self serving-partisan Congress, stopping the recession, high government officials and

appointees who don't pay their own damn taxes, Government's trend toward the "Nanny State" (Socialism), Lostness-along with clear disregard for preserving all facets of Liberty for future generations, Over spending & wages of public employees, Democrats, America is turning away from Godwe need to end abortion and homosexual movement, Greed and the need for Senior Citizens to reduce their benefit levels for health care & social security, Corruption and poor leadership by unqualified people, A balanced budget, Employment, We should have term limits and no lobbying jobs after terms, Disregard for holding spending & budgets to available funds, Get our priorities in order, Lack of leadership to make the tough decisionscurrently all they worry about is re-election. The size of government and the cost of public employee unions, Honesty and integrity of our politicians, Too much government and the move towards socialism, Jobs-Jobs-Jobs, The economy and the democrats, Obama & Democrat Congress, Runaway spending and the national debt, Stabilizing the housing market and the economy, Too many products made overseas-Govt has its nose in too many places, Illegal immigration and government debt."

Indicate you city, village or town of residence.

City of Green Bay 45.6%. Elsewhere in Brown County 54.4%.

Jim Frink – BCTA

#### **National Debt Update:**

On March 1, 2009, the United States National Debt had reached \$10,891,865,916,914 and ninety-six cents. That rounds off to \$10.9 Trillion dollars, and an increase of \$41.5 Billion since last month at this time. Each citizen of the country would owe about \$35,6 24.97. The reason it hasn't increased more due to the huge government spending spree is that it doesn't become part of the debt until it is spent and financed.

In addition to the spending, tax cuts will greatly reduce the federal income. President Obama claims 95% of families will receive tax cuts which may take some figuring as about 40% of families pay little or no federal taxes as it is.

In the meantime, each day brings new spending proposals requiring billions of dollars that simply to not exist.

"In my many years I have come to a conclusion: that one useless mans is a shame, two is a law firm, and three or more is a congress." . . . . John Adams

"Democracy must be something more than two wolves and a sheep voting on what to have for dinner."

. . . James Bovard

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

### February Meeting Notes.

Monthly BCTA meeting Thursday, Feb, 19, 2009 at Titletown Brewing Co.

Harry Maier, Chairman of the Green Bay Redevelopment Authority (RDA), gave an update on Green Bay and downtown area development. Mayor Sam Halloin originally appointed him to the RDA. Prior to his retirement, he was Business Editor of the Green Bay Press-Gazette for 22 years.

Mr. Maier identified significant business developments on the west side of the Fox River:

Baycor Fiber is building a sludge recycling center on the former Bark River property. The 10-acre site will be a fiber reclamation and pelletizing facility. It will initially have the capacity to process 2,000 tons of wet sludge per day and it has room to double its capacity if needed.

Tetra Tech is building a 240,000 square foot building on a 25-acre site north of the Georgia Pacific (Fort Howard) paper mill. The facility will be cleaning dredging spoils from 500 acres of the Fox River. About 85 truckloads per day will be transported to a disposal site outside Chilton. The large building will be available for other industrial use when the ten-year dredging project is completed.

Ace Marine, a subsidiary of Marinette Marine, will make medium response boats for the U.S. Coast Guard in the former Northwest Engineering facility on the Fox River. About 100 employees are anticipated.

As for downtown development, John Vetter continues to pursue financing for his \$25 million project. The Northland Hotel owners may build two new buildings for retirement housing. An addition of either 26,000 square feet or 46,000 square feet is being contemplated for the KI Convention Center to handle larger groups and restore its competitiveness in the national market. The Port Plaza Mall is being demolished slowly. The street grid will be restored.

Rich Carlstedt is reviewing the Green Bay School District's SAGE program. It requires twice the room and has twice the cost of conventional instruction. He feels the SAGE program needs to be audited to verify that its results justify its cost. In fact, all programs should be audited for effectiveness.

Officers elected for 2009 were:

President: Richard Parins.

First Vice-President: John Gower, Second Vice-President: Rich Carlstedt,

Treasurer: Tom Sladek, Secretary: Dave Nelson

The next meeting is scheduled for Thursday, March 19, at Titletown Brewing. Details on the back page of this Tax Times.

Dave Nelson - Secretary

"The American people will never knowingly adopt, socialism. But, under the name of "liberalism," they will adobt every fragment of the socialist program, until one day America will be a socialist nation, without knowing how it has happened."

... Norman Thomas

#### The Death of Common Sense.

Lori Borgman.

The following was first published in 1998, and has been modified and edited many times while being widely circulated on the internet. We are sure you have all seen it before. Somehow it still seems very appropriate today.

We are mourning the passing of an old friend by the name of Common Sense. His obituary reads as follows:

Common Sense, aka C.S., lived a long life, but died from heart failure at the brink of the millennium. No one really knows how old he was, his birth records were long ago entangled in miles and miles of bureaucratic red tape.

Known affectionately to close friends as Horse Sense and Sound Thinking, he selflessly devoted himself to a life of service in homes, schools, hospitals and offices, helping folks get jobs done without a lot of fanfare, whooping and hollering. Rules and regulations and petty, frivolous lawsuits held no power over C.S.

A most reliable sage, he was credited with cultivating the ability to know when to come in out of the rain, the discovery that the early bird gets the worm and how to take the bitter with the sweet. C.S. also developed sound financial policies (don't spend more than you earn), reliable parenting strategies (the adult is in charge, not the kid) and prudent dietary plans (offset eggs and bacon with a little fiber and orange juice).

A veteran of the Industrial Revolution, the Great Depression, the Technological Revolution and the Smoking Crusades, C. S. survived sundry cultural and educational trends including disco, the men's movement, body piercing, whole language and new math.

C.S.'s health began declining in the late 1960s when he became infected with the If-It-Feels-Good, Do-It virus. In the following decades his waning strength proved no match for the ravages of overbearing federal and state rules and regulations and an oppressive tax code. C.S. was sapped of strength and the will to live as the Ten Commandments became contraband, criminals received better treatment than victims and judges stuck their noses in everything from Boy Scouts to professional baseball and golf. His deterioration accelerated as schools implemented zero-tolerance policies. Reports of 6-year-old boys charged with sexual harassment for kissing classmates, a teen suspended for taking a swig of Scope mouthwash after lunch, girls suspended for possessing Midol and an honor student expelled for having a table knife in her school lunch were more than his heart could endure.

As the end neared, doctors say C.S. drifted in and out of logic but was kept informed of developments regarding regulations on low-flow toilets and mandatory air bags. Finally, upon hearing about a government plan to ban inhalers from 14 million asthmatics due to a trace of a pollutant that may be harmful to the environment, C.S. breathed his last. Services will be at Whispering Pines Cemetery. C.S. was preceded in death by his wife, Discretion; one daughter, Responsibility; and one son, Reason. He is survived by two step-brothers, Half-Wit and Dim-Wit.

Memorial Contributions may be sent to the Institute for Rational Thought.

Farewell, Common Sense. May you rest in peace.

#### Budget sleight of hand, under the radar.

Unbelievably, in a mere 48 hours from introduction on February 16th to passage on February 18th, Wisconsin's Legislative Democrats, with not one Republican vote in the Assembly or the Senate, passed a \$1.2 billion tax increasing budget repair bill. The 389 page document received no public hearing for debate. Nor did it get vetted through the main stream media.

One day later, with the stroke of his pen, Governor Doyle signed the bill into law, imposing a myriad of new taxes on Wisconsin businesses and families. Even more preposterous is the manner in which Democrats changed laws to avoid breaking laws.

According to a report released on February 16th by the non-partisan Legislative Fiscal Bureau, the ending balance in the state's general fund for the 2008-09 fiscal year is projected to be -\$600.2 million. The report further states that the budget repair bill would reduce that deficit by \$183.3 million to a -\$416.9 million balance.

A closer examination of the numbers shows that of the \$1.2 billion in new taxes, \$312 million will be collected between now and the end of the fiscal year (June 30th). Of the \$312 million collected, only \$183.3 million will be used to close the shortfall. The governor is using the other \$128.7 million to increase spending appropriations not in his original budget bill.

The question becomes, how can the state pay all of its bills by the end of the fiscal year if it is projected to be \$416.9 million dollars in the red? The answer is found in the first two lines of the actual bill: ""An Act relating to: state finances and appropriations and making diverse other changes in the statutes.""

[Currently]... state law does not allow legislators to spend more money than is collected in revenue. Additionally, at the end of the two year biennium, the state needs to maintain a rainy day fund of \$65 million for emergency purposes.

Here's the important part of Rep. Petersen's explanation: Remember these seven words from above: ""... and making diverse other changes in the statutes?""

Printed in the 389 pages of text are two obscure lines reading: "...the current law general fund structural balance requirement would not apply to 2008-09." and "... the general fund balance requirement of \$65 million for 2008-09 would not apply in 2008-09."

Can you believe that? Ok... continuing on... For the purpose of this budget repair bill, the law preventing the general fund reserve from being depleted below \$65 million dollars, and the law preventing the state from spending more money than it collects in revenue, were both overridden. Thus, Wisconsin will pretend its bills are paid through the end of the year and roll the \$416.9 million deficit into next year's already projected \$5.7 billion deficit.

Now that Governor Doyle has made these changes under the radar, he is continuing to rewrite legislation with his fiscal year 2009 — 2011 budget proposal. The budget was introduced on February 17th, in the middle of the 48 hour budget repair bill push to passage. The proposed budget includes eliminating a cost saving provision just written into law January 2006.

2005 Wisconsin Act 89 requires a cost analysis be used to determine if it is less expensive to use state employees for any contract larger than \$25,000. The original law was signed after a number of newspaper reports showed that the Doyle administration was contracting out a number of troubled projects that could have been done by state employees for less money.

In an attempt to defend his decision to negate this legislation, Governor Doyle stated "It adds a further level of bureaucracy," and questions the financial value of the oversight measure.

Increasing state spending appropriations and paying more than necessary for contract work performed will not help Wisconsin families and businesses during this economic downturn. But it does prove law is not important when it gets in the way of the Governor and legislative Democrats raising taxes and paying off their political special interests.

Jo Egelhoff, FoxPolitics.net

# Details from the State Budget.

- Create a \$500 million tax on oil company profits that could drive up the gasoline cost by 10 cent a gallon.
- Increase on the cap of a auto insurance policies increasing rates.
- 34% increase in the cigarette tax taking several million dollars from the private sector & encouraging bootlegging.
- Releasing hundreds of prisoners requiring more parole officers.
- A increase in the states capital gains tax.
- A proposal that every private construction project in Wisconsin that receives public subsidy pay prevailing wages.
- Higher tax brackets for upper income and small business owners.
- Giving collective bargaining rights to UW system facility.
- Proposal to give gay state workers domestic partner benefits.
- Require county clerks to issue domestic partner licenses.
- Doubling state tax on nursing home permits.
- Repeal state law requiring that outside contractors be hired only when they are less expensive that the states.
- Total repeal of tort reform legislation restoring individuals only 1% at fault to pay 100% of damages.
- Refusal to require teachers to shift their insurance from WEAC to the states plan which is less expensive.

There were a number of other changes in the law but we have run out of space to list them all. Sorry.

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 BCTA@ExecPC.Com.

## Things That Make Us Wonder.

There has been much discussion on the subject of roundabouts on Military Ave., with many pros and cons.

Proponents claim cost advantages with improved traffic flow. Opponents cite pedestrian safety, confusion, and business disruptions. We note that roundabouts could possibly by less expensive to construct but could also require more expensive land acquisition.

Questions are is Military Ave. primarily a business district or a busy thoroughfare to move traffic. Undoubtedly there will be a large volume of traffic after construction starts on remodeling #41 in a couple of years.

We do agree that the business's or the area should have a major voice in the decision. They have already invested heavily in the area and are interested in what will work the best for all concerned. Another issue not publicly discussed is the cost of the project comparing alternatives. Are roundabouts the most cost effective? This expense will be paid by everyone in the city to some extent.

Like them or not, be prepared for roundabouts in the future. DOT plans for hwy. #41 between Scheuring Rd. & Velp Ave. call for about 25 roundabouts at exits along the way.

After more than a year of warning and preparation, local TV stations made the transfer to digital TV on the planned date of Feb. 17, despite congress delaying the date to June 12, to accommodate the estimated 5 million people who had not prepared themselves. Question is will these same people be ready by June 12?

Apparently the group that called themselves the "Wisconsin Way", going about the state holding public meetings touted as seeking ways to fund our schools while reducing dependence on property taxes has morphed into another group called the "School Finance Network." The players and message are the same. This group opposes the QEO and is advocating whatever sources of revenue for the state which have not already been maximized such as additional sales taxes be

used for school purposes.

We agree that present sources of revenue do not seem adequate to meet the meet the demands of the education system. Unfortunately other spending groups like highways local governments and Social Services have the same problems.

Although the check isn't in the mail yet, Gov. Doyle estimates Wisconsin will receive \$3.5 Billion from the Federal Stimulus package. Every town, county and school district in the state wants a part of it. How much will go for job creation and how many new jobs will be created remains to be seen. He said \$2 Billion will go toward the state budget deficit. It was not really clear how much will go to create new jobs. It will be interesting to see how much the state deficit will be reduced after the money has been spent.

For \$1.157 Billion of upfront money the City of Chicago has leased the use and income from its 36,000 parking meters for a period of 75 years. The proceeds will be used for a reserve and balancing the city's present deficit. Also \$100 Million "to help the needy" and make the deal sound good. There are a lot of possibilities here and we hope this doesn't give Gov. Doyle any ideas.

The lessee will get to raise the rates to almost double over a period of 2 years. Who knows what parking rates will be 75 years from now? No word on who has to check the meters and collect the fines.

With all units of government scrambling to maximize tax collections, we hear a lot about closing "loopholes" used to evade taxes. Unfortunately most of these were inserted in tax laws to stimulate the economy or give a well intended advantage to some group or other.

As a result the state and federal tax codes have grown into monstrosities that very few people really can understand. The federal tax code grows by about 1,000 words per day, with 500 changes made every year. The purposes of many of

the loopholes have become obsolete, resulting in the creation of more loopholes to exploit.

There have been calls for more simple tax systems such as a "flat" tax, or a value added sales tax.

The problem may be that with all the special interests in the country it would probably not take long for Congress and the state legislatures to once again start changing the rules and giving this or that group special advantages. Perhaps the best method would be to keep the system we have but rewrite the tax codes.

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Buried deep within Wisconsin's tax laws are provisions that professional athletes and entertainers who perform in the state are subject to the states income tax laws for the period of time they perform here. The same provisions that apply to residents of the neighboring states of MI, MN, IL & IA but work full time in WI.

These laws have been on the books for 50 years or so, and produce \$11-\$12 million in tax revenue annually. No doubt they are messy to calculate and collect. Also other states have copied Wisconsin and reciprocity becomes a big factor in deciding who gets what share of a persons income.

For whatever it's worth, it is probably another reason making it difficult to do business here.

President Obama has signed the "Economic Stimulus" package into law. It will cost at least \$780 Billion and probably a lot more if everyone who has their hand out gets their share. It has been disclosed that few if any of the Congressmen and Senators who approved even knew what it contained.

By contrast, 60 years ago, the "Marshall Plan" which revitalized war torn Europe was enacted at a total cost of just over \$12 Billion. This plan stabilized the economy of 16 nations, rebuilt factories and cities, and fed the people, Congress debated several months before the expenditure was approved and signed by Pres. Truman in 1948.

The nice thing is that most of it was eventually repaid to the U.S. We knew how much a billion was then.

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One of the cornerstones of Gov. Doyles plan to balance the budget is a 1.4% tax on proceeds of the largest hospitals in the state. It wasn't clear if it would be charged directly to patients or directly to the hospitals but that shouldn't matter. It will be an expense to be met as part of overhead and passed on to the patient for their insurance to pay.

Apparently the belief is that the Federal Government will forever be able to reimburse state governments for medical costs and the state will be able to pocket the proceeds. No matter how this plays out, you and I will likely end up paying more for our healthcare.

We commend Associated Bank for canceling their junket to Puerto Rico after it was disclosed they had received Federal bailout funds. It at least sets an example for corporate responsibility.

The big question may be how does any company, especially those rewarding their executives millions of dollars in bonuses and perks for "outstanding" job performance when at the same time they are receiving handouts from taxpayers to reimburse their mistakes.

It seems that the \$1.00 increase last year in the price of cigarettes did not do the job of discouraging smoking. The new state budget will add another .70 per pack. While Gov. Doyle claims its intention is to discourage smoking, the new increase is estimated to produce another \$290 million in 2010 and \$305 million in 2011.

Gov. Doyle's budget calls for cutting 40 or so state service offices about the state and eliminating other expenses throughout Madison. He said he would not eliminate any state employees though as they have all been loyal and hard working. Etc, etc.

The question is, if they are closing all those offices, and cutting services and expenses in Madison, what will all those people do to keep busy and justify their existence on the state payroll?

I don't notice if the Governor has noticed, but a lot of companies in the state have cut their payrolls big time because of the they can no longer afford to pay salaries and benefits. If anything, he has missed a big chance to set an example of sharing the pain with his constituents.

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The Governor must be getting serious about cutting state expenses.

He claims issuing a single license plate for vehicles would save us \$400,000 per year. This would be on top of what we already save by making the plates we do have last 10 years or so. Has he ever figured how much we could save by eliminating some of the 70 or so special plates the state issues.

While only having to put one sticker on our cars each year rather than two wouldn't make much difference to most of us, he also proposes the use of photo radar cameras to detect speeders and other traffic violations. Don't these devices identify drivers by including the front license as evidence in their photos? Also helpful to service stations to identify people who drive off without paying for their gas.

While the Governor wants to save us \$400,000 per year by issuing one license plate, one added expense that seemed unnecessary was giving \$250,000 to one of the northern Indian tribes for a study of their native tribal language. With all due respect, shouldn't this come out of casino profits.

**Gov. Doyle smilingly** talks about high speed rail service between Milwaukee and Madison, and now even suggests extending it to Green Bay in the future.

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It sounds great: Ride a train like in the good old days. One problem is that more things have happened in the last 50 years than just having a lot of tracks torn up for walking and bicycle trails. Residential construction has created crossings to be protected, depots are gone, bridges must be rebuilt and safety provisions updated to go 100 miles per hour.

Remember the railroads discontinued passenger service because it was no longer profitable and now the government wants to bring it back and run it for us. Are they really serious?

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President Obama promised, before and after his election, to enforce "earmarks" reform and make sure that federal money would not be spent unwisely. Earmarks are loosely described as local projects inserted by members of Congress as part of a budget bill without benefit to the country as a whole.

An article in the Feb. 23, Press-Gazette relates that Congressional officials have identified over <u>9,000</u> items in the economic stimulus package they had just approved, with a cost to taxpayers of over \$5 Billion These are all items that our Congressmen, Democrats and Republicans alike will go home and proudly tell their constituents what they have done for them with our money. Call it a bribe if you want as every town, city, and state seems to be getting something from Uncle Sam courtesy of their Congressmen and Senators. So much for controlling federal spending.

The price of gasoline is blamed for revenue losses by Green Bay Transit. It has been proposed that Green Bay and Appleton initiate round-trip bus service to get back in the black. How? The more miles local bus services cover the more revenue assistance they receive from the federal government. It has not been determined how many people would ever use the service.

Due to the dramatic devaluation of stock market prices in recent months, many of us have seen the value of our pension accounts decrease in value accordingly. This applies to both individual and corporate retirement plans,

Public sector employees don't have to worry so much about their retirements however. While their retirement funds are invested in stocks much the same as with private employers, they are quarantined a fixed income each month, not necessarily based on how much reserves are available. Unfortunately if the reserves fall short, laws require that tax-payers will be required to make up the difference. Forbes Magazine estimate it could cost taxpayers at least another \$1.7 trillion in addition to an estimated \$11 trillion for unfunded Social Security liabilities.

When times were better, many public employees were able to negotiate gilt-edged pensions including early retirement and continued insurance benefits.

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The Green Bay City Council has had considerable debate over the issue of limiting liquor licenses in the downtown area to eliminate nuisance problems. At the same time they want to encourage hotels and restaurants in the area. How do they maintain a quota when these people need a liquor license in order to operate?

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There have been a number of articles placed in the people forum and otherwise by those advocating the union backed "Free Choice" legislation designed to give trade unions greater leverage in their organizing efforts.

While they point out benefits to union employees, they neglect to mention that creating and retaining employment is probably the biggest problem facing the country at this time. Very few entrepenuers are likely to invest in an industry and hire employees if this legislation becomes law.

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As time goes on, it seems that every day brings some massive outflow of federal money. Apparantly Congress believes that money does gron on trees.

Now Pres. Obama wants to put about \$787 Billion in the Federal Budget for health care cost. How they arrived at that amount nobody knows except that it sounds nice.

A recent article in *Forbrs* stated that there will be a push by the administration to impose National Health Care as soon as this year. The first step would be an expansion of SCHIP (State Childrens Health Insurance Program) which was initiated by the Clinton administration.

Other existing programs will be addee and modired bit by bit to provide government health insurance to the uninsured and the next step will be to expand the program to providers.

The first step to expand SCHIP was already accomplished and phase 2 is apparantly underway.

The 2009 BCTA survey indicated over 90% opposition to nataional health care and 73% were satisfied with what they already have. Over 93% felt the cost of health care could be effectively reduced,

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We realize it is a sensitive subject, but we question the timing of Gov. Doyles providing domestic partner benefits to state employees. Reason is this is a taxpayer expense at a time when the state is running a huge deficit and supposedly tr ying to cut expenses. It will cost several million dollars a year.

While private industry can offer this benefit at their option, we doubt that many have.

The next step is a proposal for counties to set up a registry of domestic partners to assure they receive married coujple benefits.

In addition to creating a lot of new and creative taxes in his 389 page budget repair bill and his 1,743 page budget for the bi-ennium budet, Governor Doyle included a number of major policy changes that will effect all of us. It may take a while before thay all hit home.

Probably the most significant is the requirement that all licensed autos be insured. Up to now Wisconsin was one of only two states not requiring drivers to be insured, and this is probably OK. However, he is also requiring all motorists to carry higher liability limits than previously. While this may not effect most of us, it is believed that people carrying greater liability insurance will enable personal injury lawyers the opportunity to sue for greater amounts for their clients.

Although lit may have slowed down due to the economy, people are still concerned with the number of illegal Mexican immigrants in the country. We have been hearing of violence in Mexico caused by drug cartels and this could very well spill into the United States if it hasn't already.

The Feb. 17, statewide primary election only attracted 6% of registered voters. This has prompted some lawmakers to call for cancelling this election in the future due to the cost. It was not clear what they would do to replace it.

This is probably more the fault of the system wereby people are more

reluctant to run for public office.

Campaigns, even for a local post can be expensive and frustrating. While performing a civic duty can be satisfying, the time and grief involved can be frustrating.

If they want to save some money, how about a state law that school districts or municipalities cannot hold referendums except on regular election days.

We understand that any Federal Stimulus money coming into the area will help us all. In addition we are all going to be paying for it and we may as well get our share rather than seeing our money go elsewhere.

Green Bay will receive over \$6 million for harb or dredging, \$230,000 for the poice radio tower and \$314,000 for additional police equipment. The question is how many people will these expenditures employ?

As usual, lots if things to wonder about.

Jim Frink

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

"The principle of spending money to be paid be posterity, under the name of funding, is but swindling futurity on a large scale."

. . . Thomas Jefferson

#### The TAX TIMES

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

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"The democracy will cease to exist when you take away from those who are willing to work and give to those who would not.

#### . . . Thomas Jefferson

"A people that values its privileges above its principles soon loses both."

. . . Dwight D. Eisenhower