

Tariffs, Taxes, and Truth

Scott Liddicoat

Introducing Tariffs

Isn't it astonishing how tariffs have become the rage? Just as astonishing is to hear the subject of tariffs being discussed among politicians and the media with economic accuracy.

In American terms, a tariff is a tax on foreign-made products imported into the United States. Notably, neither foreign governments nor foreign businesses pay the tariff tax. Rather, American businesses pay the tariff on goods they import. Their payments are made directly to the United States Federal Government.

Tariffs Come with Problems

As has been accurately pointed out by many, the cost of tariffs is always passed on to consumers.

American importers paying the tariff tax are faced with a higher cost of doing business. Both common sense and basic economic reasoning take us to the next step in the process. Faced with higher costs, American importers raise prices on the goods they sell in the U.S. In essence, American citizens pay the tariff tax through the price inflation it causes.

Tariff critics who are often Democrats these days, also remind us that tariffs may bring other problems along with them. And it is not uncommon for them to mock conservatives in favor of tariffs as anti-business or anti-free enterprise. But American

consumers paying for tariffs in the form of price inflation are usually the first and primary casualties of tariff taxes.

The Case for Tariffs

President Donald Trump acknowledges this can happen. But he still advocates for the use of tariffs. He has two reasons for this.

One reason is to apply economic leverage, instead of force or the threat of force, over some foreign governments for political ends. Famously, he threatened Colombia with a 25% tariff unless they repatriated violent criminal illegal aliens that came from their country. It didn't take long for Colombia to yield. Colombian businesses want to be able to sell their products in our country competitively.

The second reason hasn't been used in the U.S. for years. President Trump would like to have more of the funding for federal government activities fall upon tariffs. This would reduce income taxes in the process. Tariff funding of government he reasons, will also invite American economic growth. With lower income taxes, American consumers will have more money to spend. They'll be encouraged to "Buy American," spending their money on comparatively less expensive U.S. made products. To escape the tariffs, some foreign companies may choose to open new plants in our country.

Are Both Sides Right?

So, who's right in the tariff controversy? Maybe everyone is right.

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It remains to be seen how much of government funding President Trump can transfer to tariff taxes. But he's already proven the threat of a tariff can be an effective negotiating tool in some instances.

Tariff critics have correctly and effectively articulated their argument as well. The application of tariffs results in American consumers paying the tariff tax.

The result in this drama may be a compromise between economic consequences and political marketing. This isn't unusual in our system of government. What's been unusual is to hear how accurately nearly everyone has discussed the issue.

The Take Home

When taxes are imposed, business costs rise. Businesses pass their increased costs on to consumers with higher prices. Consumers paying the inflated prices end up paying the tax.

It would be well for all of us—politicians and the media especially—to remember this cause-and-effect relationship. Remember it when politicians talk about *increasing corporate taxes*. You and I will pay the tax increase through higher prices. Remember it when politicians talk about *cutting corporate taxes*. You and I will benefit from the lower prices that result.

Scott

December Meeting Notes

President Schwalbach called the meeting to order at 1:00pm. Visitors were welcomed to introduce

themselves and share information with the group. Rick Crosson, candidate for Green Bay Area Public School (GBAPS) District Board member, introduced himself to the group. He currently serves on the Board in an appointed position to an open seat and is running to fill that seat in the spring election.

Today's scheduled speaker, Dan Nemke of BC Organics, operators of a state-of-the-art biogas facility, was unable to attend due to weather.

The group took the opportunity to engage Candidate Crosson in an extended discussion of the School District. Candidate Crosson brings significant executive leadership experience. He is a retired Army Lt. Colonel and has significant experience in the transportation industry including being COO of a trucking firm in Central WI. He noted that the GBAPS District is the most diverse district in the state. He views the mission of the district is to educate and motivate students, preparing them for their future. He spoke of the need to work from a strategic plan and to document accountability criteria and success measures for students and administration. There was an open and engaging discussion across many subjects.

Business items: Efforts continue researching potential alternate venues to move our meeting time back to 12:00. Secretary Sladek shared data highlighting his concern about the amount of out of area and out of state money being funneled into local legislative elections. While not illegal, the group questioned the appropriateness. Tom and Director Verheyden will do further research. President Schwalbach asked the group for input on items desired to be included in the State budget. They can be emailed to Glen. He will secure a speaker in the near future to speak on the budget process. The next Executive Committee meeting will be January 8th.

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Committee/other reports: Director Parins noted there have been recent developments in the coal pile elimination/movement efforts noted in the press. President Schwalbach shared information about most states utilizing a state "School Board" vs WI's Department of Public Instruction. President Schwalbach and Treasurer Sladek attended the Wisconsin Institute of Law and Liberty meeting in Milwaukee.

Meeting Notes by Rod Goldhahn, Secretary

January Meeting Notes

President Schwalbach called the meeting to order at 1:12pm. Visitors were welcomed to introduce themselves and share information with the group. Visitors today were Elliot Christenson and Katie Gentry, candidates for the Green Bay Area Public School Board. They each gave a brief background, indicated why they were running, and responded to questions from the group. A key platform of both is increasing the focus on educational outcomes. Also visiting was Melinda Eck, Green Bay District 11 Alder.

Secretary Goldhahn shared that Jim Frink had recently passed away at the age of 91. Jim was a founding member of the BCTA, served as our first Treasurer for many years, and most notably created our newsletter, the TAX TIMES. He proudly served as the editor of the newsletter for many years. Several members of the Executive Committee attended his funeral.

In lieu of a speaker, President Schwalbach shared

a video from the investigative program, "Full Measure", dealing with the debate on the accuracy of national crime statistics, especially when trying to look at trends. The program highlighted recent reversals in data from the FBI and admissions that some reporting was missing. Conversations with Brown County and Green Bay resources noted that our local statistics were complete and accurate.

Business items: President Schwalbach asked members to submit items they would like to see included in the upcoming budget. He has also made a request to our legislators to have a budget listening session in our area. There was interest in seeing how actual spending over the past two years matched the previous budget. Glen also noted that Wisconsin was one of the few states that does not have a state School Board. Future speakers being scheduled include Joint Finance Committee members, NWTC, NEW Water, and the Green Bay Area Public School District. The next Executive Committee meeting will be in April.

Committee/other reports: President Schwalbach reported all of the legislative committees had been filled. The Voter ID referendum will be on the spring ballot. Secretary Goldhahn encouraged members to sign up to receive electronic communications from the Wisconsin Policy Forum which contain informative articles about taxes and spending. Director Bowers shared a report of a Wisconsin Institute of Law and Liberty poll which showed few parents really understood how schools were funded or how much money is being spent to educate their children.

Meeting Notes by Rod Goldhahn, Secretary

Monthly Meetings @ The Village Grille

Monthly meetings are held at **The Village Grille, corner of Hoffman and East River Drive, Allouez**. The location has no stairs or steps, convenient parking, and a room to better accommodate speakers and conversation. There will be three selections from which to choose lunch - each one will be priced at **\$15 (includes tax and tip)**. Lunch is at 1:00 pm with monthly speakers presenting.

SUPPORT THE BCTA

New Members Welcome

www.BCTAxpayers.com

The Brown County Taxpayers Association is a local group working to bring information and awareness to issues that affect tax policy or impose regulatory burdens.

The TAX TIMES

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

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Dec Meeting Notes

Jan Meeting Notes

Meeting Location

The Village Grille, Allouez

**1:00 pm Meeting
Time Change**

BCTA Meeting and Events Schedule – MARK YOUR CALENDARS.

Thursday - Mar 20, 2025 BCTA Monthly Meeting.
1:00pm at The Village Grille, Allouez
Chris Davis, Green Bay Police Chief

Tuesday April 1, 2025 Spring Election

Thursday - Apr 17, 2025 BCTA Monthly Meeting.
1:00pm at The Village Grille, Allouez
Allan Peters, UWGB Economic Dev. Director

BCTA monthly meetings are held the Third Thursday of each month, 1:00 pm, at , at The Village Grille, Allouez.

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: \$15.00, Payable at meeting. Includes lunch, tax & tip.
Call Tom Sladek – 499-7701 for information or to leave message.

Mar-Apr 2025



www.BCTAxpayers.com