

# FAIR - AND - ADEQUATE

close tax loopholes

protect public structures

control property taxes

The Institute for Wisconsin's Future newsletter on tax policy  
August 2008

## TAX NEWS Headlines:

**There they go again! Tax misinformation from Nass and Lazich**

**Oconomowoc in a budget crunch due to levy limits, slow growth and snowfall**

**The "two-thirds" corporate tax avoidance true for both Feds and Wisconsin**

**Sales tax for dam repair up for referendum vote in Vernon County**

**Accountants say Milwaukee has among the nation's lowest business taxes**

## There they go again! Tax misinformation from Nass and Lazich

Once again, legislators have pounced on shaky Tax Foundation data to try to convince voters that Wisconsin can't afford to adequately fund its public institutions.

The latest are Rep. Steve Nass (R-Whitewater) and Sen. Mary Lazich (R-New Berlin), who each cited a study by the conservative Tax Foundation that claims Wisconsin is among the top ten states in tax effort.

**Not so!** The latest Census data show that taxes and fees state and local government are 3% lower in Wisconsin than the U.S. average. The national average is \$5,803 per person; Wisconsin's figure is \$5,607.

The truth is, Wisconsin ranks 21st among the states for the taxes and fees paid by residents.

For the full story see: [www.wisconsinsfuture.org](http://www.wisconsinsfuture.org).



## Oconomowoc in a budget crunch due to levy limits, slow growth and snowfall

Growth has slowed in Oconomowoc, and after record snow and rain plus a soft economy, the 2009 budget will be challenging.

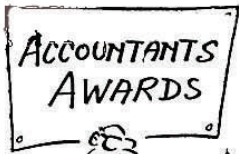


City Administrator Diane Gard said it would be one of the tightest budgets in recent years, due especially to a smaller levy limit.

Earlier, new housing allowed Oconomowoc to increase its levy, which by state law is limited to a fixed amount (2% in 2009) or growth from construction. But new housing permits are down 50%.

For more information see: <http://www.livinglakecountry.com/story/index.aspx?id=781894>

## The “two-thirds” corporate tax avoidance true for both Feds and Wisconsin



"Our next award is for 'Tax Loophole of the Year' ...."

“Here is a crazy idea to address the United States’ gaping fiscal deficit: persuade corporate America to start paying taxes,” states a *New York Times* editorial reacting to a new study from the US Government Accountability Office.

The study shows that that two-thirds of US firms paid no federal income tax between 1998 and 2005. This matches the IWF findings in Wisconsin that nearly two-thirds of corporate filers pay zero in state income tax. (Unlike IWF, the GAO report did not name names.)

The GAO report is at: <http://www.gao.gov/new.items/d08957.pdf>.

The *Times* editorial is at: <http://www.nytimes.com/2008/08/18/opinion/18mon2.html?ref=opinion>.

## Sales tax for dam repair up for referendum vote in Vernon County

Vernon County residents will vote this fall on implementing a 0.5 percent sales tax increase to help pay for repairs to county dams. If approved, the sales tax in Vernon County will rise to 6 percent.

The Vernon County Board approved placing the referendum question on the November general election ballot. The Legislature would need to give final approval on the sales tax.



For more info, see: [www.lacrossetribune.com/articles/2008/08/13/news/z05tax.txt](http://www.lacrossetribune.com/articles/2008/08/13/news/z05tax.txt)

## Accountants say Milwaukee business taxes are low



Yet another major accounting firm has put its quantitative stamp of approval on the fact that business taxes in Wisconsin are low.

KPMG International’s study of business tax structures found Milwaukee with the 4th lowest taxes among 24 midsize U.S. cities and 15th lowest among 59 cities of all sizes.

Among the cities with **higher** business taxes than Milwaukee are Chicago, Las Vegas, Minneapolis, Phoenix and Tampa. Who says that taxes destroy a business climate?

The KPMG study is at: <http://www.competitivealternatives.com/download/default.asp>.