

FAIR - AND - ADEQUATE

close tax loopholes

protect public structures

control property taxes

The Institute for Wisconsin's Future newsletter on tax policy

Wisconsin citizens want strong communities, reasonable taxes and a revenue system in which all individuals, businesses and organizations pay a fair share. This monthly email newsletter covers current research, community organizing and political activity to support a **fair** tax system which **adequately** funds services for the common good.

May, 2008

Free lunch (and dinner) for 92% of Wisconsin hospitals

Hospitals are a major growth industry in Wisconsin. There are new, often luxurious, facilities being built in exurban areas across the state. Health care CEO's are emerging as prominent and wealthy leaders in the corporate community. The massive facilities rely heavily on public resources -- road maintenance, police, emergency personnel, technical training centers and the court systems. Unfortunately for taxpayers,

92% of these expanding corporations are categorized by the state as non-profits so they pay no income, property or sales tax. A new IWF study looks at the economic impact of non-profit hospitals in Wisconsin --- **Hospitable Taxes: How non-profit hospitals profit from Wisconsin's outdated tax system.** <http://www.wisconsinsfuture.org/>



Big win for tax reform: Wal-Mart's real-estate tax scam is now illegal

Gov. Doyle's signature makes it law: The real estate gimmick Wal-Mart have been using to avoid Wisconsin corporate income tax is now illegal. The Legislature closed the tax scam as part of the budget repair bill, and Doyle signed it into effect May 16. In his veto message, Doyle wrote that the new law "closes an unacceptable tax loophole used by multinational corporations to shift profits out of the state to avoid paying Wisconsin taxes."

The measure shuts down the use of a tax avoidance technique whereby one branch of a company pays rent to another branch at a high enough rate to eliminate the visible profits. State Senate leader Russ Decker observed that *"We can no longer let large out-of-state businesses push their tax bill onto the backs of Wisconsin businesses. We are not asking Wal-Mart to pay more, we are only asking them to pay their fair share of taxes to fund the services they get from our state just like Wisconsin-based companies do."*

Closing the real estate loophole will increase state revenue by \$15 million this biennium and is an important first step in much-needed corporate tax reform.

Ashland school district and city government fighting over crumbs

The Ashland school board cut its police liaison at a "contentious" meeting. Part of the reasoning was they hoped the city would pick up half of the position, to which the mayor responded, "We're not going to pick up half of it; you have more money than we do."

Read the whole story ... it is a case of trading safety for "classrooms."

<http://www.ashlandwi.com/articles/2008/05/20/news/doc4832d86a41355310978406.txt>



Report: Money worries may have influenced maintenance decisions on fallen Minneapolis bridge (BRIAN BAKST, Star Tribune)



ST. PAUL - A new report on the Minneapolis bridge collapse said money worries may have led to bad maintenance decisions ahead of the catastrophe that killed 13 people last August.

The report, commissioned by the Legislature, also criticized the Minnesota Department of Transportation for bridge inspections that were mishandled or not acted upon over the years, even when they called for immediate repairs.

See the full story at <http://www.startribune.com/photos/?c=y&img=1211356909992895.jpg>

Largest privatization deal in U.S. history proposed for Pennsylvania Turnpike

In the largest privatization deal ever proposed in the United States, a consortium led by Spanish company Abertis Infraestructuras offered \$12.8 billion to lease operation of the Pennsylvania Turnpike for 75 years. The deal would allow the company to immediately hike tolls 25 percent and then increase tolls each year thereafter up to the rate of inflation.

Gov. Rendell is promoting the deal, despite the state legislature's rejection of previous privatization plans and despite polls that show fifty-eight percent of Pennsylvanians oppose leasing the toll highway.



Never in Wisconsin? Beware--privatizing some of Wisconsin's all-free roads is an idea that re-surfaces every few years.
