

FAIR - AND - ADEQUATE

close tax loopholes

protect public structures

control property taxes

The Institute for Wisconsin's Future newsletter on tax policy

November-December 2008

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- **Closing corporate loopholes in 2009**
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35 ways to close the state fiscal gap

Wisconsin school, city, county and state services are in jeopardy as the state faces a \$2.5 billion deficit in both 2009 and 2010. But a new report by the Institute for Wisconsin's Future and the Wisconsin Council on Children and Families shows that there are many ways to increase state revenue so that key programs and services could be protected **without** raising property taxes. The new report -- **Catalog of Tax Reform Options for Wisconsin** -- lists 35 ways to expand Wisconsin's revenue base. The Catalog outlines how each tax option works, how much money it raises, who is affected and whether it makes the overall system more fair. The full study can be found at:

http://www.wisconsinsfuture.org/publications/taxes/1108WI_TaxReformOptions.pdf



Spa at Kohler resort in Sheboygan. If personal service businesses paid sales tax, it would raise \$90 million each year.

Closing corporate loopholes in 2009

THE BUCKS STOP HERE

States that use combined reporting for corporate income



Governor Doyle stated that combined reporting is likely to be enacted this year. State Senate leader Russ Decker is pushing for the reform which would ensure that multi-state and multi-national corporations pay Wisconsin corporate taxes. Combined reporting prevents corporations from moving profits out of state to no-tax venues like Nevada and Delaware. Because the state deficit is so severe, the Governor has agreed to sign the bill if it passes. In addition, state leaders are hoping to pass the "streamlined sales tax" -- a big step toward collecting Internet sales tax.

<http://www.jsonline.com/blogs/news/35225559.html>

Stopping sales tax exemptions for services to fight state deficit



Facing a multibillion-dollar deficit, some elected officials are asking whether all exemptions from the 5% sales tax are justified - exemptions that include legal services, spas, veterinary care for pets, healthclub memberships and cloth-diaper businesses. A state Department of Revenue report says sales tax exemptions total more than \$3.7 billion annually. Taxing services would almost double the \$4 billion sales tax expected this year.

<http://www.jsonline.com/news/wisconsin/35244354.html>

Eau Claire Transit faces cuts could lead to decreased or no service

Eau Claire has been losing aid for transportation consistently for the last three years. This year, federal dollars for mid-sized cities are being reduced and Eau Claire will see less transit aid.

"This is going to have a devastating impact," said Transit Manager Gwen Larson. "Transit is a huge part of getting people to work, no matter where we are."



<http://media.www.spectatornews.com/media/storage/paper218/news/2008/11/03/News/Eau-Claire.Transit.Faces.Budget.Cuts-3520078-page2.shtml>



Portage County cuts could stall downtown growth

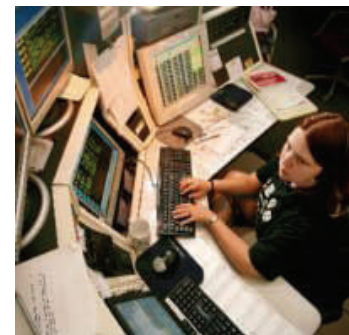
Local officials say Portage County's proposed \$30,000 cut to the Association of Downtown Businesses could stall revitalization and growth efforts.

<http://www.stevenspointjournal.com/article/20081031/SPJ0101/810310526/1983>

7 months after homicide, Dane County 911 remains short-staffed

Nearly five years after being warned the Dane County 911 center was short-staffed, and seven months after a communicator mishandled a call from a homicide victim's cell phone, county officials are being told that staffing levels at the beleaguered center still are insufficient. The new report suggests the center needs nine more communicators immediately to reduce overtime.

<http://www.madison.com/wsj/topstories/313239>



QUOTE OF THE MONTH

"There's no reason that Wal-Mart should be able to skirt its fiscal responsibility to the state while their competitors based in Wisconsin, without the capability of locating headquarters in another state, have to pay the full freight. It's basically a fairness issue." State Senate Majority Leader Russ Decker