



LEAGUE OF WOMEN VOTERS[®] OF WISCONSIN

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May 30, 2007

To: Assembly Committee on Ways and Means
Re: Opposition to AB 329, AB 221, AB 190 and AB 244

The League of Women Voters of Wisconsin (LWVWI) strongly believes that Wisconsin must make some adjustments to the tax system, developing a more fair and just tax structure with revenues sufficient to maintain Wisconsin's standing as a desirable state for business as well as for families.

The League supports increases in revenue to provide adequate financing of essential state government services that meet the needs of the state. Some of the tax system changes that are needed include: combined reporting of corporate income, as do many other states; and an updated sales and use tax that reflects the contemporary economy where spending on services is needed. Larger changes require a comprehensive evaluation of tax shifts and other sources of revenue for government services.

LWVWI is concerned about some of the bills that are being heard today, especially those that would decrease the revenues needed to provide the programs and services expected by the people of Wisconsin. Specifically, we oppose AB 329, AB 221, AB 190 and AB 244.

AB 329 requires the legislature to reduce appropriations from general purpose revenues by 1% in each successive year. This provision is similar to portions of the "Taxpayer Bill of Rights" (TABOR). We oppose it as the antithesis of the real need of the State to increase its revenues. AB 329 provides that the 1% "forced" reduction in appropriations would go into the existing stabilization fund. This contracts the purpose of the "rainy day fund" which is to ensure revenues are available despite shortfalls in tax and other revenue collection which are due to swings in the economy.

AB 221 also affects the availability of general purpose revenues by prohibiting growth in revenues. This unduly restricts the ability of government to meet state needs.

AB 190 provides that rates in each bracket of the individual income tax would be lowered by a very small percent. The fiscal estimate states that state revenues would be reduced by \$102,900,000 in the first year and by \$74,900,000 in each succeeding year. The League views these revenue cuts as inconsistent with adequate financing of essential state government services and opposes AB 190. (The fiscal note does not estimate the changes for individual taxpayers, but it is interesting to note that the change for the lowest bracket would be \$46 per thousand of taxable income while the top bracket would benefit by \$70 per thousand.)

AB 244 eliminates the personal property tax which is a major source of revenue to local governments. AB 244 will result in tax shifts that have not been examined. Such drastic changes in the property tax need to be considered only as part of a general reform of the tax system that still provides an equitable sharing of state revenues with local units of government. LWVWI opposes AB 244.

We urge you to oppose AB 329, AB 221, AB 190 and AB 244.