

“NO taxation without representation.”

Ah, I Like the sound of that, the cut of its jib, the angle of its repose, the sign of its cross. Amen, brothers and sisters! Say it with me: “NO taxation without representation, “ takes me back, takes me back, waaaaaaay back! Back to my Colonial days, oh shiver me timbers, ARRGGHHH! I hold my age well, don’t I matey? Have you tossed any tea lately?

I googled, because I forgot who said the words that inspired a country, but it didn’t help. Somebody must have said it or perhaps such a natural response to British goading, lassitude to the multitudes, they shouted out simultaneously, “damn the Lords and Ladies, damn the KingBird and Queenie”....then turned to stare at each, like the “deja voodoo chile” moment at Woodstock when Jimi tortured the Star Bangled Banner, through the tall Marshall stacks, a Big Muff and wah-wah peddle.

I’d better settle down before y’all think I just returned from the campfire at Fighting Bob Fest, one toke over the line with Jim Hightower and Ed Garvey. You know some of us inhaled, more than once ! At times I think while some fell into the deep hole, never to recover consciousness, others regained consciousness and more importantly awareness.

NO taxation without representation came to front of mind a couple months back when SCOTUS plucked yet another leg off McCain-Feingold. Every day it’s another tale of the stuff tea parties are made of. But the 5-4 Citizens United ruling re-opened the long closed doors of corporate donations to politics. I like the fact the Supremes kicked the door open, fought back against the 527’s, held the doors open to SEIU and proclaimed, ‘all ye, may enter here’, BUT the Community Organs sang “Stop in the name of Love.”

Now, I am not necessarily a fan of this. I’d rather see those funds invested, creating jobs, paying dividends ... something to build the economy. But it struck me then, and I don’t know why I never thought of this before, but since corporations are taxed, they by golly deserve some say in their government representation.

It also struck me that since non-profit unions are not taxed, they do not merit political representation. But this has not stopped WEAC from breaking records for campaign spending, whence payback with ObamaTeach Funding. Oh yes, teachers are far more worthy than the common worker, their jobs more necessary then those who may actually produce a product to sell in the economy. Teachers produce a product, but what nonsense their sweat stinks less than the rest!

Anyhow, a bipartisan deal materialized in my head. Democrats want corporate money out of politics. Republicans want to cut corporate taxes, stimulate investment and grow jobs. If Democrats would simply end the corporate income tax, Corporations would no longer have a basis for political representation.

Banish corporate taxation, banish corporate campaign cash....no taxation, no representation....corporations would not longer have to worry about disclosing their membership lists in order to run express advocacy ads. They couldn’t run ANY ads.

I wonder which Senate candidate will be the first to embrace my idea – Russ Feingold or Ron Johnson, maybe Paul Ryan can pencil it into his Roadmap for American’s Future?

Meanwhile, the primary approaches. Get out there and pick the best candidate to return Steve Kagen to his allergy clinic, Tom to what, and Russ to where? Goofè Doyle. Well, let’s see, we have on the bags, Who’s on first, What’s on second, I Don’t Know is on third...

Richard Parins — President

The BROWN COUNTY TAXPAYERS ASSOCIATION
In our 25th Year of Promoting Fiscal Responsibility in Government.

Do Non-Fiscal Policy Items Belong in The State Budget?

When is a budget not a budget? Sounds like a riddle one of your children might ask you. Unfortunately, this question as it applies to the State of Wisconsin's budget does not have an answer that makes you chuckle.

The man on the street assumes that the state budget is similar to your household budget or the annual budget a business might put together. Where are you going to get your money from and what are you going to spend it on? Would it surprise you to know that the state budget is not quite that simple? Probably not, but you might be surprised to know what makes it so complicated (*read: messy*).

Governors (or legislators) who want bills to pass without having them considered individually amend them to the budget bill. Once it is under the umbrella of the budget bill ("*under the Christmas tree*" as some people call it), it is very difficult to get it removed. People are generally more worried about the big ticket items in the budget and let the minor amendments pass without as much review. Often these are bills that would not have enough appeal or support to pass on their own. The Wisconsin Legislature has a habit of debating the budget until the deadline for passage has passed and will approve most anything to get this item of business out of their way.

We are not talking about appropriations. We are talking about actual policy items that have nothing to do with the budget. Spending should be in the budget; but should a modification to the time period for claiming an instant lottery prize really be there? When the governor signs the budget in to law, these items which were inserted in the budget also become law. The taxpaying public never knows what hit them.

That example seems pretty innocuous but the "non-fiscal policy items" are not always so simple. For example, a repeal of the Qualified Economic Offer (QEO), the guaranteed raise for teachers, which had been proposed by the Governor, was also included in the budget. That would be considered a major policy initiative.

Why Governor Doyle included a provision eliminating a guaranteed raise for teachers from state law tells you something about why we need the QEO in this state until we can get spending controls for all aspects of state government. It is also a likely topic for another day.

Some of the non-fiscal items included in the last state budget included:

- In-state tuition for the children of illegal immitgrants..
- Same-sex partner benefits.
- Mandatory auto insurance limits.
- Unionizing Home Health Care Workers.
- Allowing the University of Wisconsin System and Staff of Unionize.
- Enforcement of seat belt laws.
- Mandatory Auto Insurance.
- Prohibiting communities from making cuts in emergency dept. Budgets such as police and fire departments.
- Mandating that any construction project in Wisconsin, either public or private that receives public funds pay every employee who works on the project be paid the prevailing union wage scale.

To their credit, the co-chairs of the Joint Finance Committee, the state's budget committee, agreed to remove many of the offending "non-fiscal policy items" from the state budget proposal and have them drafted as separate bills.

We acknowledge that some of the non-fiscal items included in the budget could have merit and possibly could have passed the legislature on their own through normal, open procedures. However, most of them seem to specifically benefit the major contributors and supporters of the governors administration, namely the teachers union (WEAC), trade unions, and personnel injury law firms.

Including last minute non-fiscal items, and for that matter specific spending projects in the state budget is not a new problem in Wisconsin. It is referred to Pork-Barrel spending in the Federal Budget. It is largely the cause of much of the reckless spending authorized by Congress each budget year in order to reach agreement on a budget to present to the President. "*You vote for my request for funding for this project in my district and I will vote for yours,*" has been the password. With stimulus funding now being a factor Congress doesn't even have to wait for the budget to come along.

Historically Wisconsin law mandated a balanced budget be presented to the governor. A few years ago when spending requests began to grow beyond income projections the governor was given the authority to personally veto or reduce items he deemed unnecessary or inappropriate from the budget; subject to legislative override.

Great idea while it worked. If the new governor has any idea of balancing the budget and reducing the huge deficits which are accumulating he will have to learn to say "no" once in a while.

We wish him luck.

JF

Articles and views appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We want to encourage discussion and input on current issues of taxpayer interest and invite your comments or articles suitable for future "TAX TIMES." Please send them to the BCTA, P.O. Box 684, Green Bay, WI 54305-0684, or call Jim Frink at 336-

"To compel a man to subsidize with his taxes the propagation of ideas which he disbelieves and abhors is sinful and tyrannical." . . . **Thomas Jefferson**

"The American people will never knowingly adapt socialism. But under the name of 'liberalism' they will adapt every fragment of the socialist program, until one day America will be a socialist nation, without knowing how it happened." . . . **Norman Thomas,**

Socialist candidate for President.

VISIT OUR WEBSITE
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Why Should We Consider Replacing Our Income Tax System With the FairTax?

By Al Ose

There are three major reasons; Responsibility, complexity, and cost.

On responsibility:

* 47% of workers pay no income tax. That means they don't care if income tax rates go higher. They will vote for more entitlements.

* If these people don't understand how other types of taxes impact them they could care less about those tax rates.

* Illegal aliens pay no federal taxes at all.

On complexity:

* Our tax code is 70,320 pages long. In 2003 it required 200 million returns.

* Our taxes include income, payroll, corporate, gift, estate, capital gains, self-employment, alternative minimum taxes, tariffs, and excise taxes at various rates.

* It takes an average 28 hours and 30 minutes to fill out the forms.

* That is 7.6 billion man hours per year. That is an additional tax.

On cost:

* There is the cost of complying with our tax system.

* There is the tax gap also called the cost of non-compliance.

* There is the revenue not collected from the underground economy.

* There are hidden taxes that add 22% to the cost of goods and services

* The time spent on tax forms could have better uses.

Clarifying the annual cost of our tax system.

According to the Tax Foundation the cost of complying with our tax system is \$388 billion per year. 388,000,000,000.00

What the Tax Foundation does not address is what that \$388 billion could do for the economy if a different tax system were in place. What positive effects could that money have if not wasted every year? Does two percent growth or \$7.76 billion per year sound reasonable? \$7,760,000,000.00

The tax gap or the cost of non-compliance is \$365 billion, \$290 billion after lawsuits. There is no mention of what these lawsuits cost. \$290,000,000,000.00

Because of this tax gap Americans must pay an additional 32.1% in income taxes.

What The Federal Tax System Is Costing You.

In Eric Schlosser's book *Reefer Madness* he makes it clear that the underground economy is \$1 trillion. There are no taxes collected from it by our tax system. The FairTax would collect \$300 billion. The underground economy is made up of drugs, pornography, and crime on which no taxes are currently paid.

THE FAIRTAX SOLUTION.

The FairTax replaces the income, payroll, corporate, gift, estate, capital gains, self-employment, and alternative minimum taxes with a national retail sales tax.

1. No federal tax withholding. You will still pay state income taxes. States that "piggyback" the federal tax system, like Wisconsin, will either copy the FairTax or have to create their own income tax system. You will keep the 10% income and 15.3% payroll taxes.

2. Only retailers will fill out tax forms. They will retain 1.25% of the FairTax collected to cover accounting costs. States collecting the Fair-

Tax will also retain 1.25% of the FairTax collected also for accounting. States send the FairTax to the U. S. Treasury.

3. The prebate is intended to cover the cost of the FairTax on necessities. Illegal aliens will not receive the prebate and will help fund our government. Tourists will not receive a refund and will also help pay for our government.

4. Our economy gains \$1 trillion by enacting a tax system that saves money and is more effective at taxation.

5. Smile, retire earlier, send your kids to college, or buy a home.

6. Removal of hidden corporate and payroll taxes drops all prices roughly 22%. The addition of the FairTax makes prices about the same as they were before the FairTax. According to Section 902 of The FairTax Act of 2009, businesses will be reimbursed for hidden taxes in their inventories for a maximum of two years. When that period passes we will see prices drop to their real value.

OTHER GAINS

Of 500 CEO's of foreign companies, 100 said they would build their world headquarters here when the FairTax passes. The rest said they would build their next manufacturing plant here. That could mean a large number of jobs for Americans.

There are roughly \$13 trillion locked overseas because of our 35% corporate tax. Companies cannot afford to bring that money home under our current tax system. It is likely that that money will come home under the FairTax. This money would obviously be used for capital investments in current U. S. businesses and more jobs.

The psychological impact of taking home your gross pay will be beneficial. We will no longer be required to maintain records of savings, or investments. The stress of filling out tax forms will be only a painful memory. April 15th will be just another nice spring day. The National Taxpayers' Union is supportive of the FairTax. Wisconsin has several candidates running for the House and the Senate who support the FairTax. Reid Ribble states on his website, "The FAIR TAX legislation, like the flat tax concept, needs to be explored and voted upon because either option is far superior to the tangled mess we currently have."

Americans for Prosperity (AFP) has been working with FairTax promoters in many states.

A Flat Income tax.

There has been some discussion of a flat income tax. This is how our income tax began in 1913. In 1986 we reduced it to four income tax rates. Steve Forbes owns the Heritage Foundation. He ran for president on a flat tax. You will find that the Heritage Foundation focuses on only a flat income tax as the solution. Dick Arme is also a myopic supporter of a flat tax. My sense is that these men's egos will not allow them to adjust their points of view. By definition an income tax may never be simple. We would still have tax forms and thousands of lobbyists seeking exemptions for their clients. We held national debates in many cities between the FairTax and a flat tax for over a year. The people attending the debates almost unanimously and continually chose the FairTax. The FairTax inclusive rate is 23%.

By Al Ose, Wisconsin and Iowa Regional Director,
Americans for Fair Taxation.

NOTE: We are pleased to announce that Mr. Ose will be the speaker at our September 16, BCTA meeting. There are a number of proposals before Congress and the Administration addressing the nation's huge deficit. Details on the back page of this TAX TIMES.

Things That Make Us Wonder.

CALIFORNIA'S DEBT EXPLAINED.

While Green Bay and other Wisconsin cities struggle over their school budgets and the need to build new facilities from time to time, the City of Los Angeles is opening a new 4,200 student K-12 school with a total cost of \$578 Million. The countries most expensive public school ever.

What is puzzling is the Los Angeles School District already has a \$640 Million deficit and a record of some of the worst performing schools in the nation. We don't know if they held a referendum to approve this school but do know that California voters have a habit of voting for things that are impossible to pay for. They have had massive teacher layoffs due to budget problems. It will be interesting to see if the new school makes things better.

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MORE LOBBYISTS THAN LOBBYEEES.

A *Journal-Sentinel* article relates that 749 registered lobbyists in Madison have spent \$17.7 million so far this year in efforts to influence our legislators. Considering there are only 33 State Senators and 99 Representatives it would appear that they are somewhat outnumbered.

The biggest spender was WEAC spending \$2.1 Million. They got the repeal of the QEO which allows a 3.8% annual increase in teachers salary and benefits. Actually taxpayers are also paying for the lobbyists considering WEAC is sponsored by deductions from payroll deductions.

Other major lobbying groups include various tribal interests, insurance companies and tobacco companies.

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DOYLE'S OWN ZIPPIN PIPPIN.

Despite a lot of unanswered questions including the need for the project in the first place, Gov. Doyle is moving full speed ahead to get his "high-speed" rail project locked in during the few months he still has remaining in office.

In addition to approving a depot in downtown Madison, groundbreaking is scheduled to begin in October on a \$18 Million train shed at the other end in Milwaukee. Altogether \$300 Million in contracts could be let this year. Apparently the Gov. believes this to be the top priority for use of the states limited resources if any-

one ever rides it or not.

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PREPARE FOR REDISTRICTING.

When the 2010 Census results are finalized, it is possible that Wisconsin will lose one of it's 8 Congressional Seats. A penalty for slow population growth.

It will be necessary to re-establish the boundaries of the remaining districts and the next Legislature will have to draw a balance between political, population and geographic considerations.

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HOW ACCURATE THE COUNT/

We are all aware and concerned by the large numbers of unemployed. The huge cost of unemployment and other benefits paid less the loss of tax revenues is significant and worrisome.

One problem is actually putting believable figures to the actual number of unemployed. While the Dept. of Workforce Development is responsible for tracking the number of unemployed, the actual rates can be misleading. Using the number of new claims each month as a gauge does not account for those already seeking work. We have politicians running for state office claiming records of job creation when the actual number of unemployed under their watch is sky high.

Finally with federal money available for the asking are high unemployment numbers used as a tool to obtain stimulus funds for whatever purpose?

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THE COST OF SAFETY.

While the recall of half a billion or so eggs due to fear of Salmonella was probably a necessary move, it is always discouraging to see otherwise good food products destroyed. The loss to the producers will be devastating.

While the Food and Drug Administration is acting in good faith in our behalf, the nations personal injury lawyers will finish the job.

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GET YOUR FREE GOVT. MONEY.

We realize that if is difficult for the government to track every penny it spends or authorizes. We also realize that whenever government money is made available, a certain class of individual will figure how to get their hands on it whether they need it or not while those for whom it was intended still suffer. Such is

the nature of political handouts.

A recent *USA Today* article reported that 1,295 prison inmates were able to qualify for \$9.1 million in first time home buyer credits even though some of them were serving life sentences at the time they made their application. Thousands of other individuals received credits even though their claims were fraudulent.

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WHAT'S IN THE CAP AND TRADE?

So far the proposed Cap and Trade bill has been buried in committees waiting for the right time to push it through, for the Presidents signature using the same methods as with health care and finance reform. Designed by special interests, pushed through by lobbyists, with thousands of pages of double-talk that nobody really reads or understands except that it sounds good.

From what we have read so far, this would be even more disastrous to the country as a whole than the Health Care bill.

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WATER RATES COULD INCREASE.

The Wisconsin DNR has proposed new rules, fees, registration, etc., on all large volume users (100,000 or more gallons per day) of Great Lakes water. This includes municipal users so if enacted look for even higher water bills. Fees collected would be used to gather information on how much water is being used and what it is used for.

While they are at it why not more fees on what is dumped into the lake? Like Milwaukee after a rain storm.

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LET'S SELL CITY HALL.

An article in the August 23, *Wall Street Journal* offers a number of ways various municipalities are raising money to balance their budgets.

Deals in the works include the sale of airports, city owned buildings, parking meters, and even zoos. In most cases the city would sell the asset to private parties and then pay a monthly fee to use them. While this made funds available for immediate needs, the cost to taxpayers was usually higher over time.

A couple of years ago Chicago made a deal to sell it's 36,000 parking meters, but the company that bought them did such a poor job of maintaining them that the city figures it lost about \$1 Billion in revenues on the deal. **MORE** →

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HOPE FOR THE ECONOMY.

There are a number of things affecting the economy. Some good and some obviously bad. A *Journal/Sentinel* article points out that perhaps business would be more positive if they had a better idea of what will happen in Washington.

The future of Health Care mandates, individual and corporate taxes and political mandates all contribute to business delaying plans to expand or hire.

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HELP FOR THE HUNGRY.

While there has been some drop in Brown Counties unemployment rate, it is reported that over 10,000 households in Brown County use Foodshare Federal assistance for obtaining groceries. The state director of the program claims the number could be even higher but many people are unaware of aid programs that are available.

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THE FUTURE OF ENERGY.

WE Energies coal powered generating plant in downtown Milwaukee is estimated to emit 10 Million pounds of sulfur dioxide, 3 Million pounds of nitrogen oxide, 699 million pounds of particulates, and 2.8 Billion pounds of carbon dioxide into the air each year. While that sounds like a lot of pollutants and we question their accuracy the report is that the DNR and EPA have been holding up renewal of the plants operating permit pending either an update to the plants system. Options include new pollution controls or switching to natural gas.

We don't know how this plant compares with the thousands of other coal burning energy plants around the country, but we would imagine it would take a tremendous number of windmills or solar panels to equal the amount of energy it produces. We also know that while natural gas may be cleaner and available today, the supply is not infinite and burning it to provide electricity may not be the best use of this precious resource..

One question may be is this plant that bad or do other coal burning plants have devices that reduce pollution that would be a better option.

Isn't it really time our elected officials really get serious about conserving and preserving energy for the future as well as the present environment? This is one area where we need more crash programs.

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BE CAREFUL WITH BLISTER PACKS.

Every so often the consumer safety people issue a warning about something or other they deem dangerous to our safety and even issue their guesstimates of how many people are hospitalized with injuries each year as a result.

I would like to nominate those heavy-duty plastic blister packs that manufactures and stores are so fond of using to display items while discouraging theft.

After you purchase them, most of them are virtually impossible to open without special tools which you never have available when you need them. You cut yourself very easily in the process, and when you do succeed, you cannot easily reseal the package if desired.

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ECONOMY EFFECTS CASINOS.

A recent *Press-Gazette* article reported that even tribal casinos profits were dropping during the present recession. You wouldn't know it if you see all of the cars and buses in their lots. They claim while revenues have been steady their profit margin has dropped due to higher expenses. They may be in line for federal stimulus funding.

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CAN GOVERNMENT RUN WALL ST.

Now that the Wall Street Reform bill has passed, we read that various federal agencies including the Security Exchange Commission, Commodity Futures Trading Commission, Federal Trade Commission and Treasury Dept. plan on spending billions to set up a regulatory mechanism to keep track of things.

No doubt this will create an equal amount of new paperwork on the banking and securities industry. Let's hope the industry somehow survives before Washington ruins it completely.

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WHO PAYS FOR THE ADS.

After the primaries we can expect the negative ads to get more negative. We note that much of what we have seen so far on TV from issue groups has been rather hard to identify unless you have a magnifying glass and can read fast. Even then you can't identify the group sponsoring the ad. They are well financed by special interests. Business

interests of all sorts will be involved. Also Unions will have a lot at stake in this election and you can be sure they will spend heavily and do what they can to control to control their political power.

There have been bills introduced in both Madison and Washington to have groups sponsoring political ads identify themselves the their purpose. Like we say every four years, maybe next time.

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A SALARY FOR LIFE.

The Milwaukee School District seems to get worse rather than better. A report from the MacIver Institute reports their liability for retirement benefits could climb to \$5 Billion within the next 8 years.

In 2009, the district had 11,037 active employees and 6,136 retirees from age 55 receiving benefits. Almost a 2 to 1 ratio. Benefits also include life insurance for retirees who have 15 years of service.

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NO FREE GIFT.

The family in Neenah who received a new home on TV made for a nice "feel good" story. Even though there are thousands of other families in the area who are probably just as deserving.

Only problem is with the remaining mortgage on the families old home being paid and receiving a lot of new furniture, etc., which could be subject to gift taxes the property taxes alone on their new home could amount to over \$8,000 a year which is more than the monthly payment and property on their old home combined.

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DR. OBAMA WILL SEE YOU NOW.

No telling what will happen with Obamacare after the election. Like most large scale legislation, there is a little something for everyone to like somewhere in its 2,470 pages. There is also a lot for nobody to like.

Voters in Missouri recently held a referendum whereby 71% of voters opposed a key tenet of Obamacare which would penalize people who fail to purchase health insurance.

Problem is that as the law is phased over a period of time the more difficult it will become to repeal or even modify any of its provisions.

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WHERE DID THE MONEY GO?

The federal government's web-

The TAX TIMES

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The TAX TIMES - September, 2010

BCTA Meeting and Events Schedule – MARK YOUR CALENDARS.

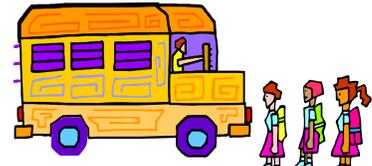
- Tuesday - September 14, 2010. Primary Election. Be sure to VOTE!**
- Thursday - September 16, 2010. BCTA Monthly Meeting. 12:00 Noon.**
Titletown Brewing Co., 2d Floor Meeting Room.
Speaker – Al Ose, Americans for Fair Taxation.
- Thursday - October 21, 2010. BCTA Monthly Meeting. 12:00 Noon.**
Titletown Brewing Co., 2d Floor Meeting Room.
Speaker – Jim Abts, Green Bay Chief of Police.
- Tuesday - November 2, 2010. General Election. Important to VOTE!**
- Thursday - November 18, 2010. BCTA Monthly Meeting. 12:00 Noon.**
Titletown Brewing Co., Program to be announced.

Unless otherwise notified, BCTA monthly meetings are held the Third Thursday of each month, 12:00 Noon, at Titletown Brewing Co., 200 Dousman St.

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: \$8.00, Payable at meeting. Includes lunch, tax & tip.
Call Tom Sladek – 499-7701 for information or to leave message.



September, 2010

“ The Constitution, which at any time exists ‘till changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all.” . . . George Washington

“Taxes are not levied for the benefit of the taxed.” . . . Robert Heinlein

SUPPORT THE BCTA

New Members are Always Welcome. Call 336-6410
Write us at P. O. Box 684
or visit our website

www.BCTaxpayers.Org
for Details.