

Paying our "Fair Share"

by Rod Goldhahn

Political candidates have long decried that, if elected, they would make "wealthy" individuals and corporations pay their "fair share" of taxes! So what exactly is a "fair share"? For people already feeling overburdened by taxes, "fair share" is anything that equals others paying more, so they can get relief! Brings to mind the old jingle, "don't tax you, don't tax me, tax the guy behind the tree!" Once in office, our elected officials must try to put the theory of "fair share" into practice by enacting tax policy that meets the financial needs of running the government in a way that balances the burden across those paying. That balancing often results in long and complex tax code that tries to account for all, or at least most, of the unique situations facing taxpayers. Once those codes are in place, the concept of "fair share" takes on an identity. So individuals and corporations then set out to use that code to take every legal advantage to lower their tax burden. And they have every right to do so, since that determines their "fair share." But what happens if they don't pay their share? The rest of us pay more.

In a recent article by the Wisconsin Policy Forum, they point out that in 2015, then Governor Scott Walker and the legislature enacted Act 55. This Act added a large number of auditors to the Department of Revenue "to boost efforts to collect

sales taxes and corporate income and franchise taxes owed or remitted buy out of state businesses." The total cost of this was \$11.8 million in 2016 and \$13.6 million each year after. Many conservative and business groups argued against the Act and are still skeptical. However, in 2016 the Act generated \$26.9 million, \$80.2 million in 2017, and \$72.2 million in 2018. In 2019, the Act generated \$159.9 million, with an additional \$857 million pending payment or appeal! According to the Department of Revenue, the return on investment was nearly 12 to 1!

Our organization has long stood for limited government and fiscal responsibility. Government should require no more taxes than necessary to efficiently and effectively provide service. But once that level of taxation is determined, we all must pay our lawfully required amount...our "fair share." But as the Wisconsin Policy Forum article notes, those playing by the rules must pay more if others don't play fair, as in the case of some out of state entities. By investing some money to police the tax code, past legislatures have put some teeth into that concept of fairness.

Rod

SEPTEMBER MEETING NOTES

Brown County Supervisor John Van Dyck appeared to discuss a referendum question to be placed on the November 3 ballot in Brown County:

Should Wisconsin State Statutes be amended to provide County Boards of Supervisors with a mechanism to approve or overturn any actions taken by County Health Officers that impose county wide restrictions on citizens and/or businesses, or that require county wide closure of businesses?

Supervisor van Dyck explained his support of this referendum proposal. State statutes give rather broad powers to unelected local health officers to make judgments as they see fit based upon what is happening in their local communities. This can lead to localized shut downs of businesses or to mask orders.

As you look into the authority that local health officers have, positions that are not elected, but appointed, some oversight is warranted. This proposal would allow county boards to review decisions and either affirm or overturn the county health officers' orders.

This is a state changing state statutes proposal. It's asking the Assembly and the Senate to change the current language in the state statutes to give county boards some oversight over the decisions made by county health officers.

State Representative Shae Sortwell commented about issues of interest to taxpayers. Representative Sortwell represents the 2nd Assembly District which is predominantly southern Brown County and east to the lakeshore. He is Vice-Chair of the Assembly Committee on Criminal Justice and Public Safety. He also serves on the Campaigns and Elections, Energy and Utilities, and the Public Benefit Reform Committees.

He noted that the referendum Supervisor van Dyck is supporting is a fantastic idea. He thinks that the law is unclear, unfortunately, and he would like to fix that in the legislature. He thinks that was like when the lawsuit was filed against Secretary Designee Andrea Palm because it's the same statute that empowered her as the power to the local health officials. And it is, and the court basically ruled that she couldn't just do things on the wrong that the legislature does.

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The effort to recall the governor will not be successful, in his opinion. The signature gathering process is a much greater effort than anticipated.

He related how the Madison School District is handling the pandemic. They won't teach kids, but if you're willing to pay \$150, they will go ahead and provide daycare for your kids. That is how they're actually approaching it. This approach angers him.

Dave Nelson, BCTA Secretary

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 TIMEES." Please send them to the BCTA, P.O. Box 684, Green Bay, WI 54305-0684 or email BCTaxTimes@gmail.com

OCTOBER MEETING NOTES

WILL Attorney Explains BCTA's Sales Tax Lawsuit

Anthony LoCoco, Deputy Counsel at the Wisconsin Institute for Law & Liberty (WILL) in Milwaukee spoke about the BCTA's legal challenge to the implementation of the 0.5 percent sales tax by Brown County. He discussed the history of the case, where we've been so far and where we're going, and what to expect over the next year.

As a non-profit and non-partisan organization, WILL litigates in the areas of property rights, the freedom to earn a living, voting rights, regulation, taxation, school choice, and religious freedom.

Section 77.70 of the Wisconsin Statutes states that sales and use taxes may be imposed only for the purpose of directly reducing the property tax. Brown County adopted a county sales tax pursuant to this statute in 2018 and their estimated revenue out of that sales tax is \$147 million now. Citizens may think it's great to see \$147 million in property tax reduction, but that's not what happened. Instead, the County is using all of that money to fund a slate of new spending projects. This case is not about whether those projects are good ideas or not. They may be good ideas, but this case is about whether they're being funded lawfully. The County's position is based on an opinion Attorney General Jim Doyle wrote while he was Attorney General. It has never been rigorously challenged, which makes it very interesting to WILL. It affects a number of Wisconsin counties.

The BCTA's position is yes, the statute is clear. The new sales tax is illegal because by spending on new projects, it's not directly reducing the property tax levy. The county's position is no, the sales tax is legal because, without the sales tax, we would have funded these projects through increased property taxes. Because we've adopted the sales tax, we no longer have to increase property taxes and therefore we've avoided a hypothetical increase in property taxes. A big negative of the County's position is that removing spending on certain projects from the rigors of the annual budget process lowers the threshold for spending on chosen projects.

In March, a Brown County judge issued a decision siding with Brown County, his basic point was that he agreed with the Attorney General's opinion that if a project is fundable with property taxes, it's fundable with sales tax revenue. We appealed his decision two days later and briefing is just completed

Probably in November of 2020, the court of appeals is going to decide on procedural matters in this case. It is likely that the next action will occur around August, 2021.

Dave Nelson, BCTA Secretary

Monthly Meetings @ **The Village Grille**

Monthly meetings are held at **The Village Grille, corner of Hoffman and East River Drive**, Allouez. The location has no stairs or steps, convenient parking, and a room to better accommodate speakers and conversation. There will be three selections from which to choose lunch - each one will be priced at \$12 (including tip.) Lunch is at 12:00 noon with monthly speakers presenting.

The TAX TIMES

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Meeting Location

The Village Grille, Allouez

BCTA Meeting and Events Schedule – MARK YOUR CALENDARS.

Thursday - Nov 19, 2020 BCTA Monthly Meeting.
12:00 at The Village Grille, Allouez
Alderman Jesse Brunette

Thursday - Dec 17, 2020 BCTA Monthly Meeting.
12:00 at The Village Grille, Allouez

BCTA monthly meetings are held the Third Thursday of each month, 12:00 Noon, at , at The Village Grille, Allouez.

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: \$12.00, Payable at meeting. Includes lunch, tax & tip.
Call Tom Sladek – 499-7701 for information or to leave message.**

Nov - Dec 2020



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