

January 31, 2014

Letter to the Editor/Column

Rep. Dave Murphy

In the last several weeks, I have studied the state budget revenues in detail, and I have to say I don't understand how the Post Crescent concluded that the Governor's tax plan is a bad idea.

I realize we have a long way to go before we can help everyone access the employment situations that will allow them to move up the economic ladder, but tax cuts are exactly the prescription for stimulating continued growth. I am confident that reducing taxes another \$500 million will not reduce state revenue by \$500 million. These tax cuts will spur continued growth that will in turn bring additional revenue back to the state.

I am very optimistic about Wisconsin and our growing economy. State tax collections are up in every major category: income tax, sales tax, and corporate income taxes. This can only happen with an economy that's growing and creating opportunities.

States like Illinois, that keep increasing taxes to cut their deficits, never seem to raise enough money to get the job done. Higher tax rates simply don't generate as much revenue as expected. Yet our state, and others that cut taxes, seem to have more revenue than expected and can continue to give more tax cuts.

If I thought this tax plan was just an unsustainable short term measure, I would have second thoughts. Instead, I believe this growth is not only sustainable, but that we are likely to have a surplus again next year at this time.

I've read that the governor's detractors have categorized these tax cuts as spending because the money comes from state government. Not true. This isn't the state's money, this is our money and we should get it back. It's not government spending to send money that's not allocated for budgeted expenses back to taxpayers so it can be spent the way we believe is best to help our families. I also reject the idea that these tax cuts are some sort of campaign gimmick. If that were the governor's intention, why did he use most of the money on a property tax cut that taxpayers won't see until after the November elections?

The Post Crescent believes the surplus is better spent on a sales tax cut, however Wisconsin's sales tax is already one of the lowest in the country, while our income and property taxes are among the highest in the nation. One common thing I hear when I knock on the doors of our senior citizens is that high property taxes are a strain that makes it difficult for them to stay in their homes.

When you look at the governor's Blueprint for Prosperity, it strikes a great balance and is really fair to the citizens of our state. It cuts the lowest income tax bracket rate, which is good for low and middle income workers. It cuts property taxes to help seniors and families. It adds \$35 million to job training to help those who need better opportunities. And it puts over \$100 million in the state's rainy day fund, building it to the highest level in history. When you hear that this contributes to our structural deficit, remember that it's like transferring money from your checking to your savings account; you can't lose sight of the fact that Wisconsin is more solvent, not less, by putting money into that fund. A structural deficit assumes no growth in revenue.

Going from the deficits of the past to the surplus of today improves the outlook for Wisconsin, and it will help us keep moving forward.

###