



For Immediate Release

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Rep. Doyle: When is a Tax Credit Not a Tax Credit

MADISON – State Representative Steve Doyle (D – Onalaska) expressed concerns today after a memo from the non-partisan Legislative Fiscal Bureau (LFB) showed that the state was \$804 million over budget on the Manufacturing and Agriculture Tax Credit.

“Wisconsin families understand how to budget better than we seem to in Madison,” remarked Doyle. “When our families budget a certain amount of money for something, we stick to it. But in government, it doesn’t seem to matter when we go way over budget.”

“One of the things that I try to remember during each budget process is that we are working in estimates,” said Rep. Doyle. “Sometimes the numbers that we use to estimate revenue projections or program costs fluctuate over time and can result in unintended consequences. Clearly we need to be more conservative when we are relying on estimates.”

The root of the problem was that the tax credit was put in the 2011-2013 budget at the very end of the process as part of a last-minute motion. As a result, the proposal received no public hearing, no input, no testimony, and no consideration of the potential impact of the tax credit.

“Unfortunately, we’ve seen this before with measures that have been snuck into the budget at the last minute,” said Doyle. “When a proposal is rushed through, it is almost guaranteed to come back to the legislature with problems.”

The credit was designed to help manufacturers by alleviating their tax burden. The LFB memo shows that the credit will cost the state more than \$1.4 billion by the end of the 2017-2019 budget. That is almost two and a half times more than what had been originally budgeted.

“This tax credit has become a bit of a political football,” noted Doyle. “One side is concerned about the increasing and unexpected costs of a tax credit that had seemed fairly good on paper. The other side believes that this tax credit, whatever the cost, is necessary to promote economic development in our state.”

“Regardless of what you believe, it is clear to me that we need to ensure that we take the time to understand every fiscal proposal and work through its potential consequences,” said Rep. Doyle. “As we look forward to the Governor’s budget address next week, I hope that my colleagues will keep this news of the Manufacturing and Agriculture Tax Credit in mind. We owe it to our taxpayers to be more transparent and honest in our budgeting.”

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