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STATE REPRESENTATIVE • 70TH ASSEMBLY DISTRICT

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Tax Time Thoughts

If you're anything like me, you're relieved when another Tax Day comes and passes in mid-April. For most people, this is really the time of year when individuals and families pay the most attention to what they're paying in taxes, who they're paying taxes to, and how their earnings throughout the previous year itemized up with the taxes they paid on those earnings, and I'm no exception. With this awareness around the early part of the year, a lot of folks will more closely scrutinize where some of their money is going or did go in the previous year. I know because sometimes I receive calls about it and I know that our municipal and county officials do too.

As this legislative sessions state budget process moves forward, I want to share some of my thoughts on government spending and this sessions biennial budget. One of the reasons I'm compelled in my role as a legislator to closely scrutinize our state's finances throughout the entire year is because I know how hard families work to bring in and earn their money. People throughout our communities work tremendously hard for their families. But another reason I'm compelled in my role as a legislator to closely scrutinize our state's finances throughout the entire year is because I know where some of the investments that are made with tax revenue goes too. Both sides of this equation are important.

I think it's a fair request from families across the state to want their hard earned money to be spent in the same careful manner and with the same integrity they treat expenses in their household budget. I've said it before and I'll say it again, it is absolutely possible, under responsible budgeting, be it for one's home or business, or in this case, government, to save for the future, be fiscally responsible, *and* make investments where investments are due.

For example, one only needs to look to the state's current, 2017-2019 biennial budget to find the largest investment ever in K-12 education with an increase of state aid to school districts over the previous cycle by \$639 million, all while directing additional money to the classroom. In the current fiscal year, K-12 education is funded at 65.35%. In addition to that, the current budget includes increases for town general transportation aids and two new programs related to student mental health were created. A 2% personal care worker rate increase was included, and investments in dementia care specialists and Family Care were made.

As my colleagues and I work with this session's biennial budget, it's important to note that Governor Evers has proposed a glaring \$6.2 billion in new spending and \$2.4 billion in new borrowing for the state. His budget proposal includes an increase in overall spending (including bonding), by 12.4%. To put it in perspective, the most recent/current 2017-2019 budget included a 4.3% increase in overall spending



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(including bonding), and the 2015-2017 budget included a 4.2% increase in overall spending (including bonding) over the previous fiscal cycle.

At a time when our overall economy is strong and there are more jobs than workers to fill them, the Governor has proposed a budget that creates a \$1.7 billion shortfall for the next budget and raises taxes by over \$1 billion, not including property taxes. On top of that, the proposal requires the state Public Service Commission to develop a plan to increase taxes on utilities, which will increase energy costs. The Governor also proposes raising the minimum wage to \$15 an hour, repealing drug testing and work requirements for welfare programs, and putting limits on a successful Manufacturing and Agriculture Tax credit, which will adversely affect the roughly 25% of claimants directly involved in the agriculture economy.

There are also a wide array of non-budgetary proposals in the Governor's budget, ranging from repealing Voter ID and in-person voting reforms to issuing drivers licenses to illegal immigrants. There are some policy issues included in the proposal that warrant debate and discussion, but within the budget is not the place for them.

If taken as proposed, Governor Evers' budget will completely deplete the over \$600 million of surplus funds we're currently fortunate to have. Earlier this year, I supported a middle class tax cut that would have returned the surplus to taxpayers, but the Governor chose to veto that legislation as one of his first significant acts in office.

It's hard to deny the reality that the 'People's Budget,' as proposed, would leave the people of our state with a budget deficit, wondering who was scrutinizing the state's budget at tax time. In order to avoid that gloomy reality, I'll do my part and continue to scrutinize our state's finances and your hard earned money, today, tomorrow, and every day of the year.

Nancy VanderMeer represents the 70th Wisconsin State Assembly District, which includes portions of Monroe, Jackson, Portage and Wood counties.