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NEW LFB MEMO DETAILS HIGH COST OF GOV. WALKER'S MILLIONAIRE TAX CREDIT

MADISON – Today, Assembly Democratic Leader Representative Gordon Hintz (D-Oshkosh), released a new memo from the state's non-partisan Legislative Fiscal Bureau detailing the increasing price tag of the Governor's so-called Manufacturing and Agriculture Tax Credit. By the end of 2019, this tax credit will have cost the state **\$1.3 billion** since its inception. Rep. Hintz made the following statement on the LFB Memo and this tax credit's cost to Wisconsinites.

"Governor Walker's track record of prioritizing tax cuts for wealthy special interests is well documented. This giveaway is a glaring example of a Governor who doesn't understand how the economy works in 2018," stated Rep. Hintz. "This tax credit was not tied to any job creation benchmarks, making it a 'no-strings attached' benefit to those who need it least. \$1.3 billion dollars in taxpayer money is shocking on its face, but made even worse when assessing the opportunity cost. This is state money that could have been used on public schools, the UW System, or transportation infrastructure. Between this tax credit and the FoxConn deal, Governor Walker has handed the people of Wisconsin a bill for \$5.8 billion."

Some numbers to note from the LFB Memo:

- Nearly 75% of the benefit went to individuals with adjusted gross incomes of over \$1 million.
- 15 people with incomes of over \$30 million dollars received \$27.6 million.

At the time of passage, the credit was estimated to cost \$128 million annually when fully phased in by 2016-17. However, as the LFB memo released by Rep. Hintz shows, the credit actually will end up costing \$262.1 million in 2016-17, and is expected to balloon in cost to \$294.8 million by 2018-19.

The tax measure was included in the 2011 budget during a last-minute motion on the last day before the Joint Finance Committee passed the budget. As a result, there was no public hearing, input, testimony, or consideration of the impact of the decision when it was passed.

"Scott Walker has had the advantage of being Wisconsin's governor during one of the longest national economic expansions in U.S. history. While Wisconsin's economy has lagged behind the national average during his time as governor, there still has been state revenue growth in each state budget. This money could've gone towards programs in our local communities that create actual economic growth. Instead, this tax giveaway for the rich continues to grow at an unsustainable rate, making it harder to fund priorities that benefit all Wisconsinites in the future."

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