



For Immediate Release
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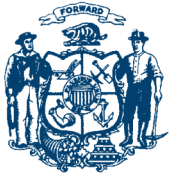
NEW LFB MEMO DETAILS COST OF PAST GOP PRIORITIES

MADISON - Today, Rep. Gordon Hintz, a member of the budget-writing Joint Committee on Finance, released a memo from the state's Legislative Fiscal Bureau showing that by the end of the 2017-2019 budget, the Governor's so-called Manufacturing and Agriculture Tax Credit will have cost the state over \$1.4 billion. This amount is more than \$804 million above the budgeted amount at the time the credit was passed.

"As Governor Walker and Republicans prepare to direct future resources towards unspecified tax cuts, Wisconsin is still paying the price for the untargeted tax giveaway for the wealthy passed in 2011. Despite modest revenue growth the past two budgets, Republicans cut over \$1 billion from public schools and over \$565 million from our university system in order to pay \$767.4 million of this costly tax credit so far (through 2017)," said Rep. Hintz. "The lost revenue from this credit resulted in the Governor borrowing more money on the taxpayer dime for the last two years - just to keep his budget in the black. Meanwhile, 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."

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.

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 \$299 million in 2016-17, and is expected to balloon in cost to \$334 million by 2018-19. By the end of the 2017-19 budget, the credit will have cost \$800 million more than was estimated when it was passed in 2011.



“I agree that we should be doing everything in our power to encourage economic growth. Effective, targeted tax cuts should certainly be a part of the equation,” said Rep. Hintz, **“However, this expensive, regressive tax cut is the exact opposite of that. Wisconsin’s economic performance remains well below the U.S., even as this credit continues to exceed its budget.**

“The 2017-19 budget presents an opportunity to restore some of the cuts in programs the Governor used to pay for this giveaway,” said Rep. Hintz. **“However, based on past budget priorities such as this, I am not confident Governor Walker will invest in the people of this state the programs that provide opportunity and enhance the quality of life, such as funding for public education and our communities.”**

Rep. Hintz also released an LFB memo showing that over 75% of the credit (claimed as income tax) goes to individuals making more than \$1 million per year. The memo also showed that \$22 million of the credit went to a mere 11 individuals who all made \$30 million or more per year.

Fiscal Year	2011 Budgeted Amount	Actual Cost	Total Amount Over Budget		Biennial Budgets	Total Amount Above Original Estimate
2013	\$ 10,100,000	\$ 15,600,000	\$ (5,500,000)		2011-13	\$ (5,500,000)
2014	\$ 44,200,000	\$ 81,700,000	\$ (37,500,000)			
2015	\$ 72,300,000	\$ 152,700,000	\$ (80,400,000)		2013-15	\$ (117,900,000)
2016	\$ 104,400,000	\$ 218,400,000	\$ (114,000,000)			
2017	\$ 128,700,000	\$ 299,000,000	\$ (170,300,000)		2015-17	\$ (284,300,000)
2018	\$ 128,700,000	\$ 320,200,000*	\$ (191,500,000)*			
2019	\$ 128,700,000	\$ 334,000,000*	\$ (205,300,000)*		2017-19	\$ (396,800,000)*
Total	\$ 617,100,000	\$ 1,421,600,000	\$ (804,500,000)			

*Estimate

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