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In Light of New Info, Wirsch Renews Calls for Suspension of Tax Credit for the Ultra-Rich *LFB Says Manufacturing and Ag Credit Has Cost \$804 More Than Projected, Price Tag to Balloon Even More*

Madison- New numbers released by the Legislative Fiscal Bureau and Legislative Audit Bureau have led Senator Bob Wirsch (D-Kenosha) to renew his call for a two-year suspension of the state's Manufacturing and Agriculture Tax Credit, with the increased revenue used to fund transportation projects, education, health care and other vital programs.

"Fiscal Bureau's memo showing that this tax credit will have cost \$804 million more than projected by 2019 and Audit Bureau's shocking report on the serious financial problems facing the transportation budget have just strengthened my belief that we need to at least suspend the Manufacturing and Ag Tax Credit for the next two years. That would provide more than \$600 million in increased revenue that we critically need right now," Wirsch said.

Just days ago, the Legislative Fiscal Bureau released an updated analysis of the fiscal impact of the Manufacturing and Agriculture Tax Credit. The results were stunning. By the end of the 2017-2019 budget, the credit will have cost the state over \$1.4 billion, more than \$804 million above the budget amount at the time the credit was passed in 2011. At that time, the credit was estimated to cost \$128 million annually when fully phased in by 2016-17. However, the LFB memo states that the credit will actually cost \$299 million in 2016-17 and balloon even further, to \$334 million by 2018-19.

This morning, the Legislative Audit Bureau released its most recent findings on the state Department of Transportation, and it is in even worse shape than was previously believed. According to the audit, the cost of major road projects doubled between the time they were planned and built because the agency didn't take into account inflation and unexpected cost increases. The cost of sixteen ongoing major highway projects increased more than \$3 billion from the time they were approved to August 2016. The department faces a nearly \$1 billion budget shortfall, and Republican leaders in the Legislature and Governor Walker are at odds over how to address the issue.

"It's clear that we are in for some tough financial times. A common-sense solution would be to suspend this credit for the mega-rich and put that additional revenue back into important state programs, like transportation and education," said Wirsch.

The Manufacturing and Agriculture Tax Credit allows some big businesses to pay virtually nothing in state income taxes. It was slipped into the 2011-2013 state budget by Republicans on the Joint Finance Committee in the last hours of the committee's budget deliberations, with no notice or public input. While it was touted by Republicans as a job creator, Fiscal Bureau analysis found that just 0.3% of Wisconsin tax filers benefitted from the credit; eleven filers with incomes of \$35 million per year and above will split \$21.5 million in tax breaks in 2017; and tax filers with incomes below \$100,000 per year receive just 1.9% of the total paid out for the credit. Meanwhile, the number of manufacturing jobs created in the three years after enactment of the credit is more than 20,000 fewer than in the three years before.