

For Immediate Release

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**Jauch: Negotiations to Restore Wisconsin-Minnesota Tax Reciprocity Encouraging**

State Senator Bob Jauch (D.Poplar) said today that he is encouraged by conversations between Minnesota and Wisconsin officials that could lead to restoration of Minnesota-Wisconsin tax reciprocity. During a Senate confirmation hearing Wisconsin Revenue Secretary Rick Chandler today confirmed that he will continue ongoing discussions with Minnesota officials to try to restart the agreement that was terminated last year.

Both Wisconsin Governor Walker and Minnesota Governor Dayton have directed their Revenue staff to engage in conversations regarding reciprocity payments between the two states.

Jauch and other legislators who represent boarder communities have encouraged officials in both Administrations to promptly address reciprocity. Representative Nick Milroy (D.Superior) recently sent a letter to Governor Walker encouraging him to work with the new leadership in Minnesota to re-open the discussions. Last week Jauch spoke with Minnesota Lieutenant Governor Yvonne Prettner Solon who has long been a strong supporter of reciprocity.

The northern lawmaker applauded Governors Walker and Dayton for their immediate attention to the reciprocity agreement. "Both Governors are confronting enormous budgetary challenges. Their willingness to re-open discussions and examine alternatives to re-establish this valuable tax agreement demonstrates their understanding of the importance of reciprocity to Wisconsin and Minnesota taxpayers," he said. "While revenue officials will have to work through complicated payment options it is clear that there is a strong will on both sides to find a way to restore reciprocity."

In January Governor Dayton wrote a letter requesting Wisconsin pay Minnesota the final payment of almost \$58.7 million that was due in December. Interest on that payment has grown by \$262,136 and would amount to \$896,336 if the bill was not paid until the new fiscal year that begins on July 1.

Last week Jauch had made a statement on the Senate floor encouraging Wisconsin officials to find a way to repay Minnesota the final payment in order to "save substantial interest costs and, importantly, demonstrate Wisconsin's willingness to continue to build a bridge of cooperation with our Minnesota neighbor."

"The 46,000 Minnesota and Wisconsin residents who have been adversely impacted by the elimination of tax reciprocity have reason to feel encouraged by the mood of cooperation exhibited by leaders in both states," he said. "This 42 year agreement has been extraordinarily successful for citizens in both

states who can feel optimistic that officials are spending time looking for solutions instead of assessing blame," he said.

Revenue commissioners and their staff will explore alternative options that would expedite payments from Wisconsin and be structured so that neither state would experience negative cash flow difficulties as a result of the agreement.

Jauch said that Revenue Secretary Chandler indicated that the earliest the agreement could go into effect would be the 2012 tax year.

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