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New Report Outlines Revenue Options for Addressing Budget Shortfall
“Catalog of Tax Reform Options” Covers Range of Alternatives to Damaging Cuts

In the wake of reports that Wisconsin’s budget shortfall for the coming biennium could exceed \$5 billion—the deepest hole the state has faced in decades--the Institute for Wisconsin’s Future (IWF) and the Wisconsin Council on Children and Families (WCCF) today released an inventory of options for reforming the state’s tax system and finding a balanced approach for filling the deficit.

“A Catalog of Tax Reform Options” presents a wide range of alternatives for enhancing state revenue. These include changes in the sales tax, such as eliminating some of the current exemptions; business tax changes, such as closing loopholes that allow multi-state corporations to evade taxes by shifting profits on paper to subsidiaries based elsewhere; individual income tax adjustments, such as increasing the rate paid by those earning the most money; and various other reforms, including reinstating the estate tax.

“People in Wisconsin understand that we all share responsibility for keeping our state strong and competitive,” said IWF Executive Director Karen Royster. “It’s that spirit of collaboration and support for our neighbors and communities that makes this a great place to live, work, do business, grow up and grow old. Our solutions to the budget challenges we face must be consistent with those values.”

“Given the magnitude of the challenge before us, it’s crucial that we take a balanced approach that considers the revenue side of the equation in addition to controlling spending,” said WCCF Executive Director Charity Eleson. “Everything should be on the table. Strategies that focus solely on spending cuts could undermine the very things Wisconsin residents care about most, like good schools, a skilled workforce, a well-maintained infrastructure, and supports for vulnerable families.”

The catalog does not represent a specific prescription for raising revenue, but rather a comprehensive list designed to spark serious discussion of revenue-side options for addressing the budget hole.

“For years, elected officials have been loathe to discuss taxes. It’s considered political poison,” said IWF Research Director Jack Norman, one of the catalog’s authors. “We can no longer afford to hamstring ourselves by ignoring half of the potential solutions.”

“The question is not how much we have to slash from the budget, but what kind of state we want to live in,” said catalog co-author Jon Peacock, Research Director at WCCF. “State budgets are about priorities, and it’s clear that preserving our strong public systems is a high priority for the people of Wisconsin.”

“A Catalog of Tax Reform Options” will be available online beginning mid-afternoon on Thursday, November 13 at www.wisconsinsfuture.org.