

TAXES & SPENDING

Walker's Latest Gimmick: Cut 37,000 Jobs; Slash Worker Pay 50 Percent

Milwaukee County Executive Scott Walker refuses to detail how he will pay for his nearly \$3 billion in tax cuts and shifts that overwhelmingly benefit the rich and big business. But he has said wage and benefit cuts for state workers are one way to close the state's \$2.5 billion-plus projected state deficit. In order to finance both the tax cuts and close the deficit, Walker would need to cut state worker pay and benefits by 50 percent, or slash 37,000 state jobs.

Scott Walker's plans for Wisconsin are a complete farce. First, he says he will reduce the unemployment rate to zero and now he wants to balance the budget and pay for tax cuts for the rich and big business by slashing state worker pay almost in half or by cutting 37,000 jobs.

Walker's worker cuts could mean the loss of 50 percent of the state's public workforce – thousands of teachers and researchers from the University of Wisconsin, prison guards and state troopers who provide public safety and health care workers who assist the elderly and people with disabilities.

Walker, appearing before the Milwaukee Press Club, said he would address the state budget deficit by "proposing major wage and benefit cuts from state employees." As has been true throughout his campaign for governor, Walker refused to provide any specifics, particularly on what additionally he would cut to pay for four proposed tax cuts he first outlined in November 2009, including:

- Slash income taxes for the top one percent of income earners who make more than \$225,000 a year — **two-year budget cost: \$287 million.**
- Reopen the "Las Vegas Loophole" which allows Wisconsin businesses to shelter their tax obligations to Wisconsin families through phantom "offices" in states without corporate income tax — **two-year budget cost: \$375 million.**
- Repeal changes made to the capital gains tax deduction, despite the fact 70 percent of capital gains filings are from those earning more than \$200,000 a year — **two-year budget cost: \$243 million.**
- Shelter the assets of the wealthiest Wisconsinites even more by a radical end to tax paid on retirement income, regardless of income — **two-year budget cost: \$920 million.**
- Shift tax revenue from new car sales into the transportation fund — **two-year budget cost: \$1 billion.** [*Wisconsin State Journal*, 6/20/10; Legislative Fiscal Bureau]

[Legislative Fiscal Bureau, 2/23/09, 7/8/09, 1/25/10; "Upfront," WISN-TV, 11/8/09; *La Crosse Tribune*, 11/24/09]

Seven months after proposing his tax cuts for the rich and big business, Scott Walker has yet to show how he can pay for this and balance the budget. Worse than anything, Scott Walker wants to take a \$2.5 billion budget hole and double it to \$5 billion with a reckless tax cut plan for the rich and big business that Wisconsin cannot afford.