

TAXES & SPENDING

Walker Unpaid Tab Grows to More Than \$5 Billion

'How Will He Pay for Tax Cuts for Rich, Big Business, Tax Shift?'

Asks OWN Madison – Milwaukee County Executive County Scott Walker has added more than \$1 billion to the price tag of his tax cuts, tax loopholes and tax shifts, which combined with the state's \$2-billion-plus deficit, would require more than \$5 billion in drastic cuts to education, health care and police and fire protection – threatening the quality of life for communities in every corner of Wisconsin.

"If you add the deficit, Scott Walker's tax cuts for the rich, tax loopholes for big business and tax shifts for campaign donors, the total is more than \$5 billion," said Scot Ross, One Wisconsin Now. "That's the \$5 billion question: how on earth can Scott Walker pay for this recklessness?"

Walker has refused to detail how he will pay for his previous tax cuts for the rich and big business. As part of his gimmick-laden, substance-free campaign, Walker offered an impossible plan, which he has no authority to uniformly enact, to cut pensions of working families, generating at most \$185 million – less than four percent of the total needed to pay for Walker's budget schemes.

Walker's special interest tab continues to grow, because according to a recent news story, "Walker also said he would divert sales tax revenue from new cars into the transportation fund... Its removal could force cuts to other state programs." According to the non-partisan Legislative Fiscal Bureau, the transfer would take more than \$1 billion out of the general fund treasury in the first two years. [Wisconsin State Journal, 6/20/10; Legislative Fiscal Bureau]

"While Walker's shift in tax revenues will provide some money for transportation, it will create a gaping additional \$1 billion hole in the general fund," said Ross. "That deficit will need to be solved by either cutting general fund programs such as aid to education, the University of Wisconsin, health care or shared revenue, or by raising taxes."

As has been true throughout his campaign for governor, Walker refused to provide any specifics on what 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.
- Repeat 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. [Legislative Fiscal Bureau, 2/23/09, 7/8/09, 1/25/10; "Upfront," WISN-TV, 11/8/09; *La Crosse Tribune*, 11/24/09]

"Maybe when Walker gets to \$10 billion in tax cuts for the rich and big business and giveaways, he will finally let us know who will pay for it," said Ross. "Walker's either making promises he has no intention of keeping, or he intends to close schools, dump kids from health care coverage, yank cops of the streets and board up firehouses across Wisconsin."

[\[One Wisconsin Now 7/1/2010\]](#)