

## **Save the Date**

### **SAVE OUR SERVICES RALLY !**

Thursday, Oct. 1  
The Capitol, Madison  
5:00 pm

The state budget that passed in July slashes aid to schools, local governments, and state agencies. There is an alternative. Rescind the tax cuts on corporations and wealthy people. Close the loopholes that let large, profitable companies pay no state income tax. Pretty soon you're talking real money!

Did you know that the recent budget included 15% cuts in state aid to the Madison School District and 100 others (the average cut for districts was over 3%)? Part of the shortfalls cities and counties are facing now are due to lack of funding from the state, and the systematic underfunding for years. Cuts in state services are hitting the state and Madison area hard. Meanwhile, many state tax cuts and loopholes were introduced in the last 20 years. Are all parties paying their fair share toward the services we rely on?

Speakers at the rally will include Arlene Silveira (chair of the Madison School Board), John Hendrick (Dane County Supervisor), Jim Cavanaugh (invited, South Central Federation of Labor), and someone to address the cuts at UW.

Sponsored by: AFSCME 171 and 68

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P.S. Below is a resolution on Tax Fairness that passed at the WI AFL-CIO this spring. This may further illuminate AFSCME 171's and 68's motivations for holding this rally.

### **State Tax and Budget Fairness**

Whereas, the current State of Wisconsin budget deficit is estimated to be well over \$5 billion, and

Whereas, without significant new sources of revenue, the people of Wisconsin are facing severe cuts in vital services and teachers and state and local public employees are facing cuts in wages, benefits and jobs, and

Whereas, Wisconsin has one of the lowest business tax rates in the nation and 62% of large corporations in the state pay no income taxes, and

Whereas, corporations making profits in Wisconsin avoid paying taxes through such devices as the "domestic production deduction" real estate trusts like Wal-Mart's, and

Whereas, Wisconsin and other states currently allow major retailers to keep a portion of sales taxes paid under the dealer collection allowance provision, and

Whereas, although the economy has shifted from goods to services, Wisconsin currently has no sales tax on "business services," no estate tax on inherited wealth, and only a portion of capital gains are taxed, and

Whereas, 20 years ago, 10% of the state's revenue came from corporate income tax while today the level is about 5%, and

Whereas, over 90% of the state's revenue currently comes from individuals and families through property tax, personal income tax, sales tax and fees, and

Whereas, the current tax burden falls disproportionately on lower-income people,

Therefore, be it resolved, that the WI AFL-CIO supports extending sales taxes to business services, restoring the inheritance tax, full taxation of capital gains, increasing the rate of taxation on the highest income tax brackets, closing the numerous tax loopholes that allow corporations to avoid paying taxes, and ending the dealer collection allowance in Wisconsin, and

Be it further resolved, that the WI AFL-CIO set as priorities educating members and the general public about these tax proposals and agitating for tax fairness in Wisconsin, and

Be it finally resolved that WI AFL-CIO actively promote coalitions with labor and allied organizations to achieve the goal of tax fairness.

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#### References:

Catalog of Tax Reform Options for Wisconsin, Institute for Wisconsin's Future, November 2008

[http://www.wisconsinsfuture.org/publications/taxes/1108WI\\_TaxReformOptions.pdf](http://www.wisconsinsfuture.org/publications/taxes/1108WI_TaxReformOptions.pdf)

Mattera, Philip & Leigh McIlvaine, Skimming the Sales Tax: How Wal-Mart and other big retailers (Legally) keep a cut of taxes we pay on everyday purchases, Good Jobs First, November 2008 <http://www.goodjobsfirst.org/pdf/skimming.pdf>

Norman, Jack, Broken Partnership: How Wisconsin's Corporate Sector Underpays State and Local taxes by \$1 Billion, Institute for Wisconsin's Future, April 11, 2007

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Norman, Jack, "Are Wisconsin taxes too high?", Isthmus, April 5, 2007, Page1  
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Wisconsin's Revenue Gap: An analysis of corporate tax avoidance, Institute for Wisconsin's Future, December 2007  
[http://www.wisconsinsfuture.org/publications/taxes/WI\\_Revenue\\_Gap12\\_2007.pdf](http://www.wisconsinsfuture.org/publications/taxes/WI_Revenue_Gap12_2007.pdf)