



FOR IMMEDIATE RELEASE
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Senator Hansen Introduces Corporate Tax Accountability Act
Bill would require greater reporting by corporations on tax liability and tax reduction methods

(Madison)—At a press conference today Senate Assistant Majority Leader Dave Hansen (D-Green Bay) announced introduction of the Corporate Tax Accountability Act, new legislation that would provide greater transparency of the taxes paid by corporations in Wisconsin as well as techniques used by corporations to reduce their tax burden or avoid paying state income taxes.

Introduction of the legislation comes amid a recent report showing Wisconsin lost \$643 million last year due to “corporate tax leakage” and a statewide effort to gather public comments regarding the state’s tax structure.

“When corporations like Exxon-Mobil report profits in 2003 of over \$21.5 billion and pay less than \$1 million in state taxes while corporations like Kraft Foods pay over \$3.5 million in state taxes on profits of \$8 billion that should be a red flag that something is amiss,” said Hansen. “When someone is not paying their fair share of taxes the burden falls onto someone else’s shoulders—many times middle income families and other, smaller businesses who don’t have the resources to take full advantage of any “loopholes” in state tax law.”

Under the legislation corporations would be required to disclose:

- Their bottom-line tax liability in the state, including any tax credits or exemptions that affect their income for tax reasons.
- Any subsidiaries and their existing relationships that may affect taxable income in Wisconsin.
- Information that would help identify other legal ways in which corporations reduce or avoid paying their fair share of state taxes.

“The purpose of this legislation is to get the information we need to have a well-informed debate over the current tax structure and the fairness or lack thereof of our current tax system and to make certain our policies are fostering competition and providing a level playing field for all Wisconsin businesses,” Hansen said.

The legislation would not create any proprietary issues for corporations doing business in Wisconsin because of a two-year lag time in making the information public and because most of the filings that would be required under the bill are already required by the Securities and Exchange Commission or other state and federal agencies.

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