



EXPANDING SALES TAX BASE “UNTHINKABLE” – WIB

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Expanding Wisconsin’s sales tax base is “unthinkable” at a time when “many small Wisconsin employers have a very tenuous grip on their existence,” Wisconsin Independent Businesses has written Governor Doyle. WIB is “alarmed” by recent news reports suggesting expansion of the sales tax base as a way to fund the state budget deficit, says a letter from Wayne Corey, executive director of WIB.

“There can be no question that for the State of Wisconsin to realize significant revenue from expansion of the sales tax base business services and farm necessities will have to be taxed,” Corey says in the letter to the governor. “Adding new costs by taxing such services as accounting, computer services, bank service charges, advertising, architectural & surveying, legal, commercial leases, real property repair and janitorial services – to name only a few exemptions -- would add significant new costs to operating a small business. Adding the sales tax to farm necessities including veterinary services would directly impact the income of Wisconsin’s independent farmers,” Corey adds.

WIB has often pointed out that politicians talk about haircuts and the family pet when they talk about sales tax exemptions. But those minor items would bring in relatively small amounts of revenue. Taxing business services and farm necessities would bring in far more money but threaten the ability to survive, for too many businesses and farms.

“We can’t think of a worse time to suggest these new and regressive taxes,” Corey said. “The poor state of the economy is obvious to everyone. To ask businesses and farms, segments of the economy needed to lead Wisconsin out of these difficult times, to assume a huge part of the budget balancing burden, is unconscionable,” he added.

WIB recognizes the state’s budget problems and wants to help with the solution. WIB will not oppose broadly-based revenue efforts to balance the budget while protecting programs and services that benefit all of us who live and work in Wisconsin. WIB believes any effort to increase state revenue must cut across the broadest spectrum of state taxpayers. We will continue strong historic opposition to any effort to target specific segments of our economy, such as small business & farm owners, to provide the bulk of the funds necessary to balance the budget.

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