

10th SD GOP candidates differ on Foxconn, budget, taxes

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Several issues set apart GOP Reps. Adam Jarchow and Shannon Zimmerman as they seek the open 10th SD.

Among them: Foxconn, the budget and taxes.

Their campaign bank accounts is another issue that could play in the Dec. 19 primary for the GOP nomination in the race to succeed Sheila Harsdorf, the River Falls Republican who has become state ag secretary.

Zimmerman told WisPolitics.com he plans to primarily self-fund due to essentially a six-week window between circulating nomination papers and facing primary voters. Zimmerman said he put \$150,000 of his own money into the campaign and that will be reflected on the finance reports candidates have to turn in next week.

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Zimmerman co-founded Sajan, a language translation company, and owns Belle Vinez Winery with his family. He's working with Persuasion Partners, run by veteran GOP operative Darrin Schmitz.

Jarchow, an attorney, said he does not plan to self fund, adding he's believes his fundraising will be competitive. He's working with two Capitol staffers who are on leave — Mitch Sands from his office and Mitch Ohly from GOP state Sen. Tom Tiffany's.

"There's only so much you can do with money in two weeks," Jarchow said.

Votes on two of the biggest differences policy-wise between the two Republicans came in late summer as Jarchow opposed the \$3 billion Foxconn incentive package

and the state budget. Zimmerman supported the Foxconn deal and said he would have voted for the budget, but was grounded overseas and could not make it back to the Capitol in time for the vote.

Zimmerman's campaign announcement incorrectly asserted that he voted for the budget. He insisted it was not an attempt to deceive voters, saying he took steps to register his support with the Assembly record.

He supported the budget because it eliminated some taxes while making a "strategic" investment in education.

In a radio ad Zimmerman is running, the narrator says the businessman "stood shoulder to shoulder with Scott Walker to pass needed tax reforms in the state budget," even though he missed the vote.

"Shannon's opponent in the Republican primary?" the narrator says. "He sided with the Democrats and voted against Walker and his recent budget tax reforms."

In a follow-up interview today, Zimmerman said the ad was not misleading, because he registered his support for the budget with clerk and publicly backed the bill.

The spot opens with narrator saying "the swamp has made its way to Wisconsin" as some Republicans side with Dems in resisting Walker's job and tax reform plans. The spot does not mention Jarchow by name.

Jarchow took issue with the language in Zimmerman's ad, saying it's misleading. He also pointed out the budget only cleared the Senate after a trio of conservatives demanded a series of vetoes.

"Most people would find it pretty laughable to think I'm the guy who stood with the Democrats," Jarchow said. "I stood with about a half-dozen conservatives in the Assembly."

Zimmerman said in the first interview he was also "proud to stand" with Walker on the Foxconn bill, saying the gov negotiated a "glorious opportunity" that he believes will have a ripple effect across the state and impact suppliers, on top of the 13,000 jobs Foxconn could create directly with an investment of up to \$10 billion.

"I can't turn away from that, because too many Wisconsin families are going to be positively affected by that," he said.

Jarchow opposed the budget, raising concerns early in the process over a proposal to add employees at the Department of Revenue to perform audits. He wrote a letter to constituents earlier this year saying he was wrong to support the 2015-17 budget, because it included similar positions and would not support this one unless the already approved jobs and the new ones were eliminated.

He also took the issue with the increased spending in the state budget; the Wisconsin Taxpayers Alliance says general fund expenditures will rise 8.8 percent over the next two years, the biggest jump since 12.1 percent for 2009-11.

Jarchow opposed Foxconn because businesses in his district would not see some of the same provisions such as new exemptions on developments impacting state wetlands. He said that was particularly difficult to accept with a \$3 billion price tag.

"I can't ask the small businesses and farmers in my district to subsidize the payroll of a foreign company that's going to be located 350 miles away when they have to play by different rules," Jarchow said.

On other issues:

*The so-called "dark store" bill is pending in the Senate. It would curb a strategy used by major retailers to reduce tax assessments on properties, which local officials say has led to the property tax burden being pushed onto homeowners. Businesses counter assessors have been unfairly upping assessments on big-box stores and the bill would be a tax hike on businesses.

Jarchow said he's undecided on the bill because of his concern about raising taxes, but is open to supporting the legislation.

Zimmerman said he supports the bill, saying it would end a loophole that can adversely affect local taxpayers.

*Jarchow said he was a "vocal opponent" of the Assembly GOP leadership proposal to offset an increase in the gas tax with tax cuts elsewhere. He said roads are a top priority but have to be funded while the state also looks to reduce the tax burden. Jarchow said that means he's open to transferring money from the general fund.

"The idea that we can't supplement the transportation fund with some general fund money to me has never held water," he said.

Zimmerman said he would “absolutely be against tolls” because it would impact many of the commuters in the district who travel back and forth to the Twin Cities. Zimmerman said he’s open to a gas tax hike, but he would prefer if to be combined with other tax cuts.

He also said he’d like to take a “holistic approach” to the state’s tax structure that could include flattening the income tax or eliminating it altogether. Overhauling the state’s tax structure, he said, could help the state address its workforce needs by attracting talent to Wisconsin.

Zimmerman, who was appointed subcommittee chair of a committee looking at reworking the state’s tax code, said eliminating the income tax would likely have to be combined with an increase in the sales tax. That model is similar to states such as Texas that don’t have an income tax.

“He or she who spends more, pays more. So people can’t really argue with that point,” Zimmerman said of such a move.

Jarchow, meanwhile, is also running on the “homeowners’ bill of rights” he co-authored and saw signed into law this fall. By comparison, Jarchow said voters are frustrated by politics in Washington, D.C., because politicians aren’t getting things done.

“To the contrary, I ran, I told people exactly who I was, what I stood for and what I would do if I got elected and then I went about the business of getting it done.”

Listen to the Jarchow interview:

https://soundcloud.com/wispolitics/160217_001a/s-0MpGI

Listen to the Zimmerman interview:

https://soundcloud.com/wispolitics/160218_001a