

Sen. Bewley: Tax “reform” puts Wisconsin housing and jobs in direct peril

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As the US Senate prepares to debate a tax package this week, little-noticed provisions of the version passed by the US House pose a direct and lasting threat to Wisconsin jobs and Wisconsin housing, two state legislators said today. Citing a recent analysis of the plan, Sen. Janet Bewley and Rep. Evan Goyke decried the potential loss of 6,010 jobs and over \$500 million in business income in Wisconsin alone.

“Unfortunately, the real impact of proposals like the House tax plan are often uncovered only after the bill has passed and it’s important that Wisconsin investors, renters, developers and builders are made aware of this provision before it’s too late,” said Bewley, who serves on the governing board of the Wisconsin Housing and Economic Development Authority (WHEDA) with Rep. Goyke.

The House bill directly threatens a pair of successful tools utilized by private businesses and WHEDA – private activity bonds and the Low Income Housing Tax Credit Program (LIHTC). In addition to the job and investment losses, a study by the highly respected Novogradac & Company cites the likely loss of 5,320 rental housing units in Wisconsin over the first decade of the federal plan. The Novogradac study also points out the significant overall impact of reducing the value of low-income housing bonds to investors in the federal bill.

“These tax credit programs are pro-business and pro-community. We have seen

firsthand the benefits in every corner of Wisconsin,” said Goyke. “To lose these tax credit programs would be a massive economic and moral mistake.”

Bewley and Goyke pointed out that LIHTC has been the industry standard for a generation and works so well because of its adaptability to rural, suburban and urban markets. The legislators noted that the changes, combined with eliminating access to new market and historic property tax credits that have been especially effective in Wisconsin, would impact major sectors of our economy from construction to banking. Goyke and Bewley said that a bill already projected to increase taxes on many working taxpayers should not also jettison incentives that are proven and lasting job-creators in Wisconsin and nationwide.

“We are proud of the work WHEDA and private investors have done for our housing market and economy,” the legislators said. “We hope that effective and proven tools for economic development will be maintained. Federal budget writers shouldn’t overlook clear solutions in their haste to pass a bill with sweeping impact and the potential to do serious and lasting harm in Wisconsin. The problems this would create will come back to haunt us.”