

Sen. Taylor: Walker and forty-fifth president sweeten deal for Foxconn

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(MADISON) – Today, Vice President Mike Pence is in Wisconsin to talk tax reform with Governor Walker and local business leaders. However, early reviews of the administration’s plan to overhaul the tax code continue to be characterized as “lacking details” and a huge gift to corporations. Under the plan, corporations could see a new top rate of 20 percent, a move that may cost the government \$1.8 trillion over a decade according to recent estimates.

On Tuesday, the New York Times reported that North Carolina offered \$570 million, about a fifth of what Wisconsin’s GOP pushed to shell out, for the Foxconn deal. In response, State Senator Lena Taylor (D-Milwaukee) said “State lawmakers were hustled. We were repeatedly told that other states had made ‘better offers’ by the Governor and others supporting the Foxconn deal. Like some late night TV commercial, we were told that we needed to act fast or lose out. We have yet to see proof that any other state was willing to match the ridiculous agreement Governor Walker got us into with Foxconn.”

Senator Taylor also questioned how Foxconn’s near-zero income tax liability will interact with the administration’s tax plan. “Given that Foxconn will basically pay no corporate tax in the state, does the administration’s tax plan provide them with even more money over the life of this deal?”

In 2011, the federal Government Accountability Office reported that at least 60 percent of all U.S. companies – including many small ones – reported no federal income tax liability from 1998 to 2005. In 2017, a new report by the Institute on

Taxation and Economic Policy found that 258 profitable Fortune 500 companies earning more than \$3.8 trillion in profits paid no taxes in at least one year between 2008 and 2015. “I want Wisconsin and the country to be competitive in luring and retaining businesses, but I also think taxpayers deserve straight-forward answers, detailed plans, and a tax system that works for all of us, not just those at the top. Instead of simply being told to ‘believe me,’ Wisconsin residents need answers, and we deserve to see the President’s taxes so we know how he will personally benefit from his own tax plan.”