

Gronik campaign: Provides context for tax policy questions

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MILWAUKEE - The Wisconsin State Journal (WSJ) [recently released a survey](#) which had the effect of misstating and oversimplifying the tax policy positions of Andy Gronik, a Democratic candidate for Governor, by boiling down detailed responses into “yes” or “no” answers. Andy Gronik cautioned the reporter in an “Overview” submitted with his responses to the questions by stating that “Your tax questions are being presented in a vacuum” and “Answers to these questions must consider a huge number of factors and drivers...” The WSJ’s oversimplification of complex issues like tax policy serves to homogenize the Democratic field and create unnecessary confusion regarding their respective positions on issues important to voters.

The following are the full, unabridged answers submitted by Andy Gronik:

Overview

Your tax questions are presented in a vacuum. Answers to these questions must consider a huge number of factors and drivers and do so with great sensitivity so as not to create unintended negative consequences. This includes consideration of the spending needed to support essential services like education and healthcare and the types of expenditures required to spur community and economic development like investments in all forms of infrastructure.

My governing decisions will benefit from and be guided by 35 years of helping struggling companies solve complex problems so they could access tens of billions of dollars needed to grow and create good-paying jobs. My appraisal and consulting business would not have been successful if our advice had simply been to “go out and spend more than you make.”

The very first step will be to reevaluate how the spending of Wisconsin’s 76 billion budget is being prioritized so that the best interests of all of the people of Wisconsin are placed first. In this vein, I anticipate the reprioritization of the current budget will result in no additional tax revenue having to be generated. That said, I will restore local control stripped away by Governor Walker, so where and how tax revenue is generated is subject to change following the necessary evaluation of local and state priorities.

1.) Would you eliminate the manufacturing and agriculture tax credit?

WSJ’s Actual Survey Question: Do you support eliminating or keeping the manufacturing and agriculture tax credit?

WSJ Reported Response: Revise and tie to job creation

Andy Gronik’s Actual Response:

The manufacturing and agricultural tax credit is intended to be a stimulus for economic development, but the actual impact of the credit is questionable given Wisconsin’s economy which has been characterized as “sluggish” at best. Despite this tax credit, Wisconsin is hemorrhaging manufacturing jobs, and family farms are failing statewide. At a minimum, we need to restructure this credit to make it more effective in ways that can be measured and by eliminating the disproportionate manner in which it rewarded 11 claimants in 2015 with an estimated \$22.5 million.

The credits that I envision levels the playing field between major corporations and small businesses in Wisconsin by rewarding the actual creation 1st, 2nd and 3rd tier family-sustaining jobs with benefits with the same importance as Governor Walker

currently rewards the state's largest corporations with incentives around speculative job creation. Additionally, we will make benefits like health insurance and retirement plans affordable for small businesses so they can more effectively compete with large corporations. We'll do this by providing access to a BadgerCare model that works for patients and providers and by mirroring the Wisconsin Retirement Systems for the private sector.

2.) Do you support raising income taxes on the wealthy?

WSJ's Actual Question: How would you change the state's income tax rates? Do you support raising, reducing or holding steady the sales tax? What existing tax credits, deductions, and exemptions would you eliminate? What new ones would you create? Which specific tax policy changes enacted by Gov. Walker over the last eight years would you reverse?

WSJ's First Characterization of Andy Gronik's response: First reported answer: No.

WSJ's Amended Response: Maybe

Andy Gronik's Actual Response:

As stated in the overview, I expect a reprioritization of spending will result in no additional tax revenue having to be generated. However, the manner in which this tax revenue is generated is subject to change following the necessary study and evaluation of local and state priorities.

3.) Do you support raising the gas tax?

WSJ's Actual Question: Do you support raising, reducing or holding steady the gas tax? Do you support or oppose tolling? If you support, how would you do it? Do you support increasing, decreasing or holding steady vehicle registration fees?

WSJ's Reported Response: Maybe

Andy Gronik's Actual Response:

I am proposing a 20-year infrastructure plan that includes investments in roads, rail, light rail, buses, ports, airports, Internet and cellular communications. I envision generating the revenue needed for these long-term investments by reprioritizing the current budget, by considering user fees like the gas tax and by considering public-private partnerships to connect Wisconsin to the 21st-century global economy. In my administration these expenditures will be transparent to the public and borrowing to fund transportation projects will no longer be the norm for our state like it is under Governor Walker.

Regarding specific plans to accomplish our infrastructure imperatives, I will simply say that Governor Walker has dug a huge hole that Wisconsin needs to dig out of.

Governor Walker's failure to properly fund preventative maintenance has made it necessary to replace infrastructure that could simply have been repaired with proper attention and timely funding. In fact, a 2013 bipartisan panel issued a report that found the Department of Transportation would need an average annual increase of more than \$1.3 billion each year through 2023 to simply maintain the state transportation system in its current condition. Wisconsin is going to have to play catch up due to Walker's inaction.

I plan to put all of the proposals that have sat on Governor Walker's desk for the past 7+ years back on the table for consideration. That includes a gas tax, tolling, and vehicle registration fees. The revenue model(s) chosen and investments made will be based on the best ways to achieve my 20-year infrastructure plan and spur statewide community and economic development.

<https://andygronik.com/issues/infrastructure/>

4. Do you support highway tolling?

WSJ's Actual Question (included with Question #3): Do you support or oppose tolling?

WSJ's Reported Response: Maybe

Andy Gronik's Actual Response:

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5. Would you make changes to the sales tax?

WSJ's Actual Question (included with Question #2): Do you support raising, reducing or holding steady the sales tax?

Andy Gronik's Reported Response: No

Andy Gronik's Actual Response:

As stated in the overview, I expect a reprioritization of spending will result in no additional tax revenue having to be generated. However, the manner in which this tax revenue is generated is subject to change following the necessary study and evaluation of local and state priorities.

6. Do you support legalizing and taxing marijuana?

WSJ's Actual Question: Do you support or oppose legalizing and taxing marijuana? If you support, at what rate?

Andy Gronik's Reported Response: Yes, if passed by a statewide referendum.

Andy Gronik's Actual Response:

I'd put the question of legalization on the ballot for Wisconsin voters to decide. I do support legalizing and taxing marijuana and would tax both medical and recreational marijuana the same. Medical marijuana would qualify for tax deductions just like other eligible medical expenses.

I'd use the tax revenue to inform Wisconsin residents about the responsible use of marijuana; to fund drug treatment and rehabilitation programs and to battle the opioid crisis; to fund mental health services; to fund law enforcement efforts combating illegal drugs; to upgrade and integrate law enforcement systems and databases to combat crime and identify best practices that reduce recidivism; and

to help fund public education and jobs training.

I believe the legalization of cannabis is an eventuality. I want to stop locking people up in Wisconsin for non-violent crimes and establish an industry that will be very good for Wisconsin's economy, that honors our strong agricultural tradition and that generates substantial tax revenue to be used for the public good.

Determining actual tax rates will benefit from substantial study, including the tax strategies deployed by states where marijuana is already legal. I believe that it's possible to tax, regulate, and inform consumers about the risks of recreational and medical marijuana consumption as well as provide the education needed to inform consumers about how to responsibly use both.

<https://andygronik.com/issues/legalizing-marijuana/>

6. Do you support closing the "Dark Store" property tax loophole?

WSJ's Actual Question: Do you support closing the so-called "dark store" property tax loophole?

Andy Gronik's Reported Response: Yes

Andy Gronik's Actual Response:

I know from experience that the "dark store" tax loophole taxes special purpose commercial properties, like big-box retailers, assuming the buildings are vacant vs. occupied. Major retailers like Menards, a major contributor to Governor Walker, benefit directly from this loophole. I would tax these types of properties as occupied and consider their present use and adjust the tax rates, so payments represent a fair share of the tax burden.

7. Do you support or oppose eliminating the state's minimum mark-up law?

WSJ's Actual Question: Do you support or oppose eliminating the state's minimum mark-up law?

Andy Gronik's Reported Response: Not reported

Andy Gronik's Actual Response:

Eliminating the state's minimum mark-up law would have the effect of creating an unfair advantage to major corporations able to receive higher discounts when making bulk purchases. I envision a Wisconsin where it is easy to start a new business and grow a small business into a large one creating family-sustaining jobs with benefits. When I'm governor, I'll level the playing field so small, medium, and large companies can grow and prosper statewide while creating good paying jobs with benefits for Wisconsin families throughout our state.

Read this release on andygronik.com