

Economists: Blast proposed Michels tax plan

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MILWAUKEE—A national team of more than two dozen economists blasted Tim Michels' proposed income tax plan at a press conference in Milwaukee today.

"Do the flat tax math: a shift from a graduated rate income tax to a common or "flat" tax rate requires EITHER lower taxes for the rich financed by higher taxes for the middle class OR a lower common flat tax rate and huge cuts to the public sector," said Dr. William Holahan, Professor Emeritus of Economics at the University of Wisconsin Milwaukee. "Which is it, Mr. Michels? Inquisitive voters want and deserve to know."

Dr. Holahan was joined by Luz Sosa of Milwaukee Area Technical College's Economics faculty, Dr. Jeffrey Sommers of UWM, and Dr. Michael Rosen, retired from MATC, at the event.

"The idea that cutting taxes of the wealthy leads to increased investment, job growth and prosperity has proven demonstrably false for over four decades, most recently in Kansas," said Dr. Sommers, Professor of Political Economy & Public Policy Senior Fellow, Institute of World Affairs, University of Wisconsin-Milwaukee. "Michels' flat income tax will yield the same results a windfall for the rich and an increased tax burden for the middle class. Abkhazia, Bosnia and Herzegovina, Bulgaria, Belarus, Uzbekistan, and Transnistria have tried flat taxes. The rich have predictably become much richer, even as their economies stagnated."

"What a 'flat tax' does in Wisconsin is let the richest residents of the state off the hook for taxes," said Laura Dresser, Associate Director, Center on Wisconsin Strategy, University of Wisconsin-Madison. "The state doesn't need policy that

redistributes wealth up the income chain.”

The economists released an open letter regarding the plan, signed by more than two dozen economists around the country, and shared graphics describing the effect of the Michels tax plan. (attached.)