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MONEY FOR NOTHING: WISCONSIN LOSES 4000 MORE MANUFACTURING JOBS AS REPUBLICAN TAX GIVEAWAY APPROACHES $300 MILLION A YEAR

MADISON - Today, the Bureau of Labor Statistics released its most recent monthly "year-over-year" data, showing that Wisconsin has once again lost thousands of manufacturing jobs. According to the BLS quarterly data, Wisconsin has roughly 4000 fewer manufacturing jobs in September 2016 than the same month a year prior.

The dramatic dip in manufacturing job creation comes at nearly the same time the so-called Manufacturing and Agriculture Tax Credit is now fully phased in, at a projected cost of $300 million this year, and by the end of the next budget projected to cost the state a total of $1.4 billion. Despite its misleading name, the credit does not require that a single job be created. Three out of four individuals who claim the giveaway as income tax are millionaires.

"It's bad enough that we have had to cut funding for our schools and universities to pay for this tax giveaway. The lost revenue from this credit also resulted in the Governor borrowing more money on the taxpayer dime for the last two years - just to keep his budget in the black," said Rep. Gordon Hintz (D-Oshkosh), a member of the budget-writing Joint Committee on Finance. "If this provision were really about job creation, it would have been passed with job creation requirements. Now we are seeing the true goal of this credit has always been: a no-strings-attached giveaway that primarily benefits the wealthy."

Since the credit has been fully phased in, Wisconsin has lost manufacturing jobs over 12 months in every quarter the BLS has released jobs data. Recent data from the state's non-partisan Legislative Fiscal Bureau revealed the top 11 claimants of the credit all make $30 million or more per year, and as a group are projected to receive a whopping $22 million in one year alone. Because there is no job

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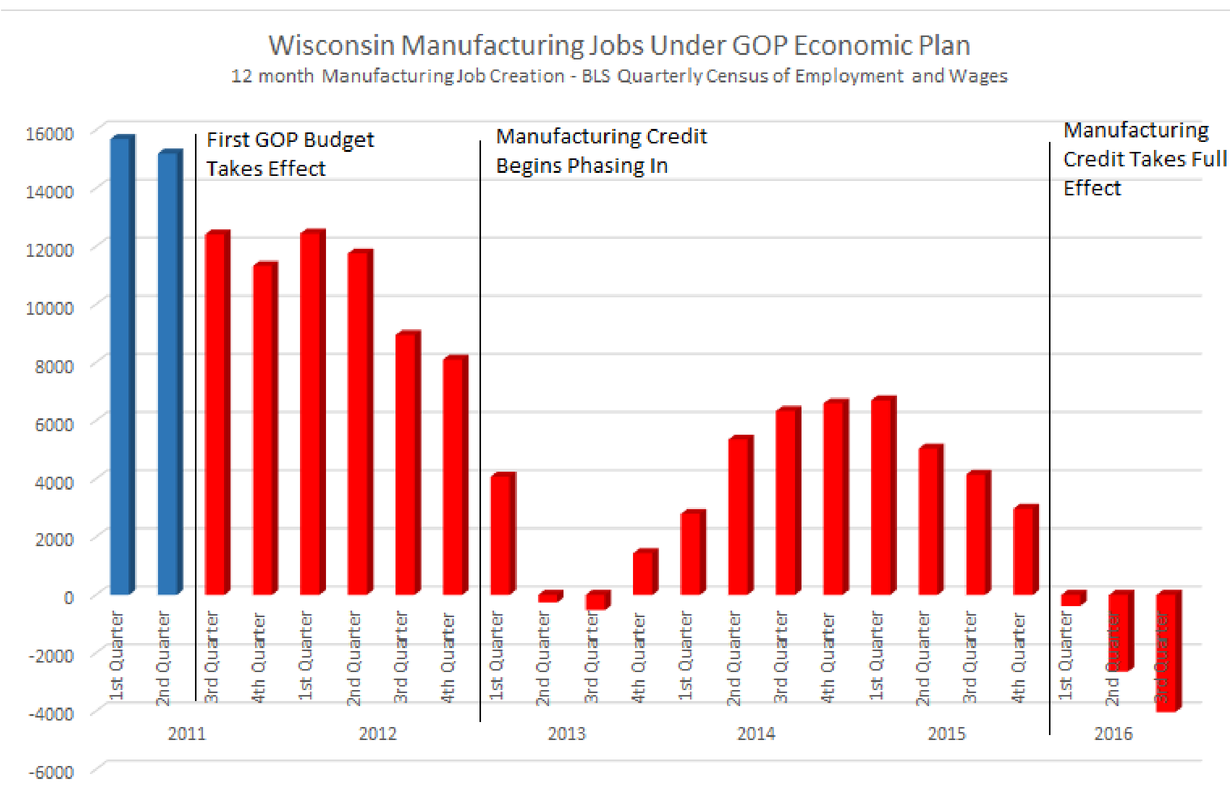
creation requirement, claimants can actually take money from the credit and outsource jobs, or invest in automation to replace actual jobs instead.

"I agree that we should be doing everything in our power to encourage economic growth. Effective, targeted tax cuts should certainly be a part of the equation," said Rep. Hintz. "However, this expensive, regressive tax cut is the exact opposite of that. The credit has been incredibly expensive for our state, yet ineffective on growing the economy. In addition, the majority of the credit benefits a small number of very wealthy individuals without having to create a single job, while the rest of Wisconsin taxpayers pick up the tab."

The tax measure was included in the 2011 budget during a last-minute motion on the last day before the Joint Finance Committee passed the budget. As a result, <u>there was no public hearing, input, testimony, or consideration of the impact of the decision when it was passed</u>.

At the time of passage, the credit was estimated to cost $128 million annually when fully phased in by 2016-17. However, the credit is projected to actually end up costing $299 million in 2016-17, and is expected to balloon in cost to $334 million by 2018-19. By the end of the 2017-19 budget, the credit will have cost $800 million more than was estimated when it was passed in 2011.



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