



Date: October 2018
To: Governor Walker
From: Friends of Scott Walker Policy Department
Re: Tony Evers' Anti-Taxpayer Agenda

As we enter the final weeks of the campaign, Madison liberal Tony Evers has made numerous statements about what has been widely reported as a “variety” of tax increases, as well as a range of spending that amounts to little more than empty promises. However, Evers has failed to provide the people of Wisconsin with details on those tax increases, leaving the increased costs for hard-working taxpayers hidden from the public, media, and policymakers. What follows is a memorandum on our best estimate of the impact of what Evers has proposed so far.

The shocking bottom-line: Tony Evers' tax increases could total billions of dollars, and he's still failed to show taxpayers what he'll do with their money.

A massive portion of Evers' tax increases are in the form of a gas tax paid by every driver in Wisconsin, which he refuses to place a limit on, although his plans also include hundreds of millions of dollars – billions over time – in income or property tax hikes on working families, farmers, seniors, small businesses, and more. As you make your case for moving Wisconsin forward, these policy details provide the clearest view yet of just how far Tony Evers would take our state backward while showing a stunning lack of leadership – just the kind of empty promises and higher taxes that put Wisconsin on the wrong path in the first place. Details follow:

Taxes: Potential Tax Hikes Totaling Some \$7.2 Billion

While Evers refuses to tell taxpayers how much money he plans to take out of their pockets, even the most basic questions by media have revealed upwards of **\$7.2 billion in tax increases** that are possible under his plans, based on proposals he has cited or the best examples available of the policies he's pushing. This includes:

- Destroying job creation and burdening farmers with higher costs by raising income taxes by nearly **\$590 million over two years – based on numbers Evers cites – with a massive rollback** of much of the Manufacturing & Agriculture Tax Credit.ⁱ
- **Shifting taxes in a proposal Evers wants taxpayers to believe is a tax cut**, when in fact he shifts the burden onto job creators and farmers without fully paying for his plan. He's also talked about raising other income taxes he has not detailed further.ⁱⁱ
- **Lifting the property tax caps and revenue limits**ⁱⁱⁱ – which he has long said he'd even like to get rid of^{iv} – that protect property taxpayers and have allowed you to **fulfill your promise for property taxes to be lower in 2018** than they were in 2010. The cost of this tax increase **is unclear but has infinite possibilities**.^v
 - Very limited exemptions to the revenue limits in the past supported by Evers have been exploited and resulted a higher tax burden on families. One such exemption for so-called green projects that became the subject of abuse in Wisconsin cost taxpayers \$217 million in higher property taxes.^{vi}

- Note: While Evers claims his budget will be revenue neutral with some districts seeing lower property taxes, his plan still means other districts will see increases^{vii} and would tie property tax increases to inflation starting in 2021^{viii}.
- Raising the gas tax by \$6.7 billion, based on the **\$1 per gallon increase Evers said was “on the table”**^{ix} before later repeatedly refusing to give an alternative, finally admitting he has **“no range.”**^x A Wisconsin family driving two four-door sedans would pay approximately \$1,215 more per year as a result of such an increase^{xi}.

Spending: Evers Reckless Spending & Empty Promises Fail to Justify Tax Hikes

Evers’ tax increases are even more shocking given how little he has done to justify the added expense to Wisconsin taxpayers. After calling your most recent budget “pro-kid” before he was running for governor, Evers embarked on a rhetorical spending spree that would become all too real for taxpayers if he’s elected. What we know about his **billions of dollars in spending** so far:

- To date, his proposed spending – defined only in part by his latest budget for the Department of Public Instruction, which increased funding to his own agency by \$1.4 billion – is billions of dollars above the 2017-19 budget.
- This includes \$400 million^{xii} to overturn the repeal of prevailing wage^{xiii}, more than \$195 million^{xiv} for a student debt refinance authority^{xv} – a stark contrast to your proposal to relieve debt by putting more money in graduates’ pockets with a new tax credit – and hundreds of millions of dollars to universities despite the UW System surplus.
- On top of those increases, Evers would repeal collective bargaining reforms^{xvi}, which have saved more than \$3.2 billion for local school districts alone^{xvii}, and billions more across all of state and local government.^{xviii} This is not possible without taking money from the classroom, raising taxes further, or both.

Beyond this brief but troubling snapshot of his empty promises, **Evers has made statements that show a disturbing lack of regard for taxpayer dollars.** Consider, for example, his suggestion that taxpayer dollars should pay for abortions just like how they pay for tonsillectomies.^{xix}

Summary

The reality of Tony Evers’ plans – billions of dollars in tax increases for empty promises that fail to justify his new spending to taxpayers – **provides a stark contrast to your record and vision to keep moving Wisconsin forward.** Where Tony Evers would take us backward and provide no leadership, just empty promises and higher taxes, you have made the tough choices and shown that with a balanced budget and strong economy we can fund priorities like K-12 education while continuing to cut taxes on hard-working families.

Now, the targeted spending and additional tax relief you are proposing in your agenda to keep Wisconsin working for generations to come will build on this progress. Tony Evers meanwhile is quite literally showing that he will take **Wisconsin backward to the days of massive tax increases and job loss** that you helped our state overcome.

Wisconsin cannot afford Tony Evers.

ⁱ https://madison.com/wsj/news/local/govt-and-politics/tony-evers-proposes-cutting-middle-class-taxes-percent/article_173ea94f-3673-585e-b382-429a8839ed7b.html

ⁱⁱ <https://www.jsonline.com/story/news/politics/elections/2018/09/25/democrat-tony-evers-floats-tax-cut-860-000-working-families/1424202002/>

ⁱⁱⁱ <https://doa.wi.gov/budget/SBO/2019-21%2025%20DPI%20Budget%20Request.pdf>

^{iv} <http://www.wiseeye.org/Video-Archive/Event-Detail/evhdid/3375>

^v https://madison.com/wsj/news/local/education/local_schools/tony-evers-calls-for-nearly-billion-hike-in-state-funding/article_818334ab-6333-5e3c-bba7-87b4e2ab5ebb.html

^{vi} <https://www.jsonline.com/story/news/education/2017/08/07/wisconsin-schools-raised-217-m-above-tax-caps-green-projects/497930001/>

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- vii https://madison.com/wsj/news/local/education/local_schools/tony-evers-calls-for-nearly-billion-hike-in-state-funding/article_818334ab-6333-5e3c-bba7-87b4e2ab5ebb.html
- viii <https://doa.wi.gov/budget/SBO/2019-21%20255%20DPI%20Budget%20Request.pdf>
- ix <https://www.jsonline.com/story/news/politics/elections/2018/08/15/gop-attacks-evers-teachers-license-walker-proposes-tax-cuts/993391002/>
- x <https://www.jsonline.com/story/news/politics/elections/2018/08/16/scott-walker-tony-evers-arent-spelling-out-their-plans-roads/1008438002/>
- xi <https://www.carinsurance.com/Articles/average-miles-driven-per-year-by-state.aspx>
- xii <https://www.wpr.org/wisconsin-taxpayers-alliance-study-shows-state-wage-laws-cost-taxpayers-over-200-million>
- xiii <https://www.jsonline.com/story/news/politics/elections/2018/09/25/democrat-tony-evers-floats-tax-cut-860-000-working-families/1424202002/>
- xiv http://docs.legis.wisconsin.gov/2017/related/fe/ab143/ab143_DOR
- xv <https://onewisconsinnow.org/press/student-debt-becomes-wisgop-2018-panic-room-issue/>
- xvi <https://www.jsonline.com/story/news/politics/2018/05/25/democrats-say-they-would-repeal-act-10-if-they-unseat-scott-walker/644687002/>
- xvii <http://www.maciverinstitute.com/2018/08/since-act-10-school-districts-have-saved-3-2-billion-in-benefits-costs/>
- xviii <http://www.maciverinstitute.com/2016/02/act-10-saves-wisconsin-taxpayers-more-than-5-billion-over-5-years-maciver-analysis-finds/?platform=hootsuite>
- xix <https://www.weeklystandard.com/john-mccormack/scott-walkers-dem-opponent-tax-dollars-should-pay-for-abortion-just-like-they-pay-for-tonsillectomies>