

**2021 WISCONSIN
COUNTIES UTILITIES TAX
ASSOCIATION
PO Box 5126
Madison WI 53705**

April 9, 2021

To: Chairman Kooyenga and members of the Senate Committee on
Financial Institutions and Revenue

From: M. Alice O'Connor
Executive Director Wisconsin Counties Utility Tax Association

Re: Support for SB70 disclosure of information regarding state
Revenue

The Wisconsin Counties Utility Tax Association (WCUTA) is comprised of 37 counties and guest counties who have a particular interest in the utility tax formula and how the state calculates utility aid payments. These payments are based off a formula designed in the late sixties, early seventies, where utilities paid taxes to the state (in lieu of local taxation). Since early 1970, the state has collected utility tax money from qualifying utility properties (municipal electric companies, electric cooperatives, municipal light, heat and power companies and private light, heat and power companies and all their substations.)

Until a few weeks ago, after six year of consistently asking the Dept. of Revenue for information about utility tax collections, we received it after filing an open records request. We have been asking one basic question for the last six years.

Why does the state keep between \$290 million to approximately \$310 million dollars *each year* and only return about \$70 million to the state's 1,800 cities, villages, towns and 72 counties? Why does the DOR keep at least 70 percent or more of the money and return 30 percent or less to local governments? It was a simple question and lacked repeated transparency. Over more than a few decades, this low return of utility taxes and reductions, translated into sizable dollars lost for use by local governments.

We believe all taxes collected need to be accountable for their intended purpose. And utility taxes are a payment *in lieu of local general property taxation of those utilities.*

We applaud the Department of Revenue Secretary Peter Barca and his State and Local Taxes Department because they have been willing to meet with us and help us finally understand, we need statutory changes to the existing formula if we expect to obtain a greater percentage of utility tax dollars back to local governments. This took six years.

We don't believe an open records request should be necessary to obtain tax information collected by the Department of Revenue and how they spend tax dollars. We just obtained a 990 page report thanks to DOR. We need time to now analyze. My Association will be partnering with our other local stakeholder groups to analyze this data before we return to the legislature with specific recommendations for statutory changes.

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We support this legislation because it can address any remaining inhibitors to Department of Revenue transparency about its tax collections and use of tax dollars.

A lot of wasted time and effort and run arounds could have been avoided over a six year period if the Department of Revenue had felt they could share the requested information, despite no reference to specific statutes, administrative code or federal law that prohibited the sharing of such information.

Members of the Wisconsin Counties Utility Tax Association, like state elected officials strive to be conscientious stewards of tax dollars. We are but one example of how greater transparency envisioned under SB70 would make our government more transparent to everyone. There should be reasons and explanations for the sizable dollars that are collected year after year, and specifically when the taxes collected are not used for their intended purpose. A payment in lieu of taxes should be defensibly fair. Without information we have had no way to judge what a fair payment would look like.

Separately, with coal fired power plants shutting down and shifting to other forms of energy generation, we also know that a nearly 60 year old formula is going to become more of an issue the Wisconsin legislature. Local governments will continue to face further revenue reductions under the current utility tax formula.

We urge you to support this legislation from Senator Cowles and Rep. Kerkman because transparency in government at all levels should be a practice where taxpayers know what taxes are collected and how they are used. Thank you for your consideration. Please let me know if there are any questions or if I, or any member of my Board can provide further assistance.



STATE REPRESENTATIVE

SAMANTHA KERKMAN

2021 Senate Bill 70 / Assembly Bill 153

Tax Accountability Dashboard Act (GPR Dashboard)

Senate Committee on Financial Institutions and Revenue

Monday, April 12, 2021

Chairman Kooyenga and Members of the Committee: thank you holding a hearing on Senate Bill 70 and considering my remarks on the bill.

SB 70 prioritizes transparency for Wisconsin taxpayers by requiring the Department of Revenue (DOR) to create a dashboard on their website to report the amounts of general purpose revenue (GPR) collected and how GPR tax dollars are spent. The bill specifies that the information must be presented in readily understandable graphs and other formats.

Most taxpayers don't have easy access to this type of information about taxes and state spending. Certainly, the information is out there and often available on the web, but it's not all in one place and would require some piecing together to get a full picture. A dashboard that shows how much GPR is collected and where it is spent would be a welcome addition to the interactive data DOR already publishes such as tax revenue sources, county sales tax distributions, and the local government dashboard.

The GPR dashboard proposed in SB 70 would look similar to the Local Government Dashboard already on the DOR website. The Local Government Dashboard provides information about local taxes and expenditures, gives overviews by county, and allows taxpayers to make statewide comparisons.

Wisconsin has a strong tradition of accountability and transparency. Senate Bill 70 would continue our commitment to open government by making state-level data readily available and would help facilitate a better understanding of how the state budget pie is sliced.



Testimony on 2021 Senate Bill 70

Senator Robert Cowles

Senate Committee on Financial Institutions and Revenue

April 12th, 2021

Thank you, Chairman Kooyenga and Committee Members, for holding a hearing and allowing me to testify on 2021 Senate Bill 70, the Tax Accountability Dashboard Act. This bill requires the Department of Revenue to establish a dashboard on their website aimed at ensuring accountability and transparency for taxpayer dollars.

Wisconsin's state government has a strong tradition of accountability and transparency, and recent changes have brought accountability and transparency into the modern era. In a recent nationwide study, Wisconsin received an 'A' for its government transparency website, Open Book Wisconsin, which provides access to millions of pages of state procurement records. One of the study's recommendations to improve our transparency was to establish a local government expenditures dashboard. This recommendation was fulfilled in the 2017-19 State Budget which created a Local Government Dashboard on Department of Revenue's (DOR) website for people to view and compare the financial data for local governments throughout the state.

Senate Bill 70 requires a similar dashboard to be established for state General Purpose Revenue (GPR) on DOR's website. A link must also be provided on E-File Wisconsin, which is a website run by DOR where residents can submit their state income tax returns. The Tax Accountability Dashboard is geared towards ensuring residents have a chance to better understand where their tax dollars are being spent by creating an accessible, clear, and upfront series of data and graphics.

While the information provided in the 250+ pages of the Comprehensive Annual Financial Report (CAFR) has similar information and is important for state government officials, the CAFR is not a document that is prepared to be readily accessible in a timely manner, particularly when they're not looking for any specific rhyme or reason. Because let's be honest, who wants to take the time to read and digest 250 pages of financial information, and moreover, why should they have to read that lengthy of a document?

Attached to this testimony, I've provided a screenshot of the Village of Ashwaubenon's Local Government Dashboard page on DOR's website. This page will help to illustrate what the Tax Accountability Dashboard may look like if this legislation were enacted, how it's much simpler it will be to navigate and understand, and how much less time it'll take to gather this basic information that could be explored for nothing more than curiosities' sake.

Simply put, to further our tradition of accountability and transparency in state finances, the passage of the Tax Accountability Dashboard will make it easier for taxpayers to see and understand where their money is being spent. By helping to better inform taxpayers, we can elevate political discourse by helping residents evaluate trends in state spending over time and better weight the costs and the benefits of certain state services as they, their families, and their communities value these services.

Village of Ashwaubenon (Brown) - 2019 Expenditures

Expenditures	Amount	Share of Total (%)
Conservation & Development	\$10,672,988	27.00%
Other Financing Uses	\$5,636,289	14.56%
Debt Service - Principal	\$4,812,973	12.36%
Law Enforcement	\$4,302,326	8.90%
General Government	\$4,057,814	10.41%
Highway Construction	\$3,724,143	9.58%
All Other Expenditures	\$2,605,347	6.68%
Fire	\$2,427,171	6.24%
Parks & Recreation	\$2,251,812	5.80%
Ambulance	\$2,032,256	5.23%
Highway Maintenance & Administrati...	\$1,911,667	4.92%
Debt Service - Interest & Fiscal Charges	\$1,780,721	4.57%
Solid Waste Collection & Disposal	\$1,581,463	4.08%
Road-Related Facilities	\$416,573	1.07%
Other Transportation	\$271,124	0.70%
Other Public Safety	\$236,210	0.61%
Other Sanitation	\$191,167	0.49%
Health & Human Services	\$147,477	0.38%
Culture & Education	\$127,477	0.33%
Grand Total	\$39,333,026	100.00%

Operating expenditures and capital outlay for law enforcement services:

Revenue or Expenditure: **Expenditures**
 Metric: **Law Enforcement**
 Amount: **\$4,302,326**
 Share of Total Expenditures: **8.90%**



Select Local Government
 Village of Ashwaubenon (Brown)

Select
 Expenditures
 Revenues

Use Arrows to Change Year
 2019

- All Other Expenditures
- Ambulance
- Conservation & Development
- Culture & Education
- Debt Service - Interest & Fiscal...
- Debt Service - Principal
- Fire
- General Government
- Health & Human Services
- Highway Construction
- Highway Maintenance & Admini...
- Law Enforcement
- Other Financing Uses
- Other Public Safety
- Other Sanitation
- Other Transportation
- Parks & Recreation
- Road-Related Facilities
- Solid Waste Collection & Dispos...