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State Senator Michael Ellis this morning blasted an amendment dropped on state senators at 3:30 a.m. today, calling it a “pre-dawn raid on Wisconsin sensibilities.” The amendment was characterized as a “solution” to the 1.1 billion structural deficit in 2005 created by the JFC budget.

“The authors are claiming this amendment will cut \$250 million from the structural deficit, but \$200 million of that is built on a false premise. Over the next two years, it will only cut \$50 million from the next budget’s structural deficit. That’s a net reduction from \$1.1 billion to \$1.05 billion. That’s not nearly good enough.”

The amendment includes a provision that is supposed to tie the hands of the governor when he introduces the next budget. The amendment requires the governor to cut state operations by \$100 million in the next budget.

“With this provision, we would allegedly reduce the structural deficit by \$300 million,” said Ellis. “The only problem with that is it’s completely bogus – a fantasy at best. We can’t bind the next legislature to commit to future actions,” Ellis said. “We certainly can’t bind the Governor.”

“Frankly, it’s an admission on the part of the legislature that the structural deficit is real and it is a problem,” said Ellis. “Unfortunately, it’s also an admission that this legislature lacks the ability to make the cuts itself.”

Ellis did note that the amendment does one thing right by ending in 2005 the transfer of vehicle sales tax revenues from the general fund to the transportation fund. “While that’s a real reduction of the structural deficit by \$25 million each year, that’s not nearly enough to address a deficit 44 times as big.”

The amendment also creates a refundable tax credit for the Joint Finance increase in the nursing home bed tax imposed on senior citizens. “Although this may superficially take care of the bed tax, the fact is, it just makes the structural deficit bigger by denying the amount of the credit – some \$2.2 million per year – to the state treasury,” Ellis said.