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Contact: Jessica Erickson, Governor's Office, 608-261-2156

## **Governor Doyle Announces Veto of \$23 Million GOP Income Tax Increase on 20,000 Farmers**

### ***Also Will Sign Measure to Provide Property Tax Relief for Farmers***

At news conferences at family farms in Dane, Vernon, and Richland Counties, Governor Jim Doyle announced today that he will veto a \$23 million income tax increase that would affect 20,000 Wisconsin farmers. The Governor will use his line-item veto power to restore the Farmland Preservation Program, which provides important tax relief to more than 20,000 Wisconsin farmers, many of them with low incomes. The program was eliminated in the budget passed by the Republican-controlled Legislature.

"Today, I am announcing that I will veto the Republican's \$23 million income tax increase on our farmers and restore the Farmland Preservation Program, continuing our commitment to responsible stewardship of our land, protecting our family farms, and keeping my commitment to not raise taxes," Governor Doyle said.

"When I campaigned for Governor, I made it clear that I would balance this budget without raising taxes – no income, sales, corporate, or cigarette or alcohol tax increases," Doyle said. "I've met that commitment, but unfortunately, at the end of the day, Republicans in the Legislature have slipped in a \$23 million income tax increase on farmers after months of talking tough on taxes."

Wisconsin's Farmland Preservation Program provides a refundable income tax credit to over 20,000 farmers statewide. About 75 percent of the payments under the program go to farmers with annual household incomes less than \$25,000.

"Not only would the Republican budget result in a tax increase that would hurt farmers and send ripple effects throughout our state economy, but it would also set back our environmental conservation efforts," Doyle said. "This program requires soil conservation plans and encourages local communities to plan to protect their agricultural land. It helps to ensure that farmland will be available to future generations and will help protect our rivers, lakes, and streams from run-off pollution."

The Governor also announced today that he will reduce the property tax burden on farmers by signing into law the reduced assessment for agricultural woodlands and wetlands. Doyle will use his partial veto pen to target the reduced taxes to ensure that the tax reduction for agricultural woodlands clearly benefits farmers and prevents abuse by others.

- MORE -

Wednesday, July 9, 2003

Page 2 of 2

The existing use value assessment has helped a great deal to reduce taxes for productive farmland and help our agriculture economy remain competitive. However, the Governor noted that many farmers have seen their tax assessments on woodlands and wetlands increase dramatically at the same time that their taxes on productive lands has dropped because of use value. Taxes on woodlots and wetlands have jumped in recent years. From 1996 - 2002, the statewide-assessed value on swamp and waste land increased nearly 600 percent. During the same time period, forestland values increased 200 percent.

“Agriculture is the backbone of Wisconsin’s economy,” Governor Doyle said. “Our agriculture and food industry generates about \$40 billion a year and accounts for one in five jobs in Wisconsin. Yet America’s Dairyland is losing about five dairy farms a day, and many of the next generation are simply deciding not to stay on the farm. And when family farms go under, it sends ripple effects through our rural economy. I believe that family farms are vital not only to our economy but to our way of life, and I will use my full executive authority to protect them.”