

## TPA, RIP?

by Charles J. Sykes

Is the Taxpayer Protection Amendment (TPA) dead, or merely on life support? The announcement by two key GOP senators – Ron Brown (R-Eau Claire) and Sheila Harsdorf (R-River Falls) – that they would not back a constitutional amendment appears on the surface to be a serious blow to the amendment's chances in the state senate. Because Democrats are expected to be unanimously opposed, supporters of the spending limit can afford to lose no more than two Republican votes.

Of course, some version of the TPA must pass the State Assembly first, and even with the strong backing of out-going Speaker John Gard, it faces an uphill battle. The more complicated multi-page version of the amendment, which passed the Ways and Means Committee a week ago, already appears dead. Negotiations for its replacement continue behind closed doors, and Gard continues to push for an April 27 vote.

Over the next few days, negotiators will have to make four major decisions:

1. **Statute or Constitution:** Brown and Harsdorf are arguing that spending can be limited through statutes rather than a constitutional amendment. But statutory limits could be (a) vetoed by the governor and (b) changed by the next legislature. They provide no permanent relief. State Rep. Jeff Wood, one of co-sponsors of the constitutional amendment calls the statutory proposal “absolutely meaningless,” noting that “the Legislature has created statutory limits on state spending in the past, but they simply don't work.”
2. **Simple or detailed:** Negotiators seem to be leaning toward a KISS approach amendment: Keep it Simple Stupid. The current version is so detailed and filled with loopholes that it is attracting arrows from both the right and left, while confusing potential supporters. A simple three sentence amendment stands a far better chance of winning voter approval down the line, but has the disadvantage of postponing the details until the legislature acts.
3. **Income or Inflation:** Should the amendment limit spending increases to the rate of inflation or the growth in personal income? The distinction is important. A 2004 study of state spending by former budget director Rick Chandler for WPRI found that if state and local spending had been held to the increase in the cost of living plus population growth beginning in 1986, overall spending would have been \$9.6 billion less in 2002. If spending had been held to the rise in personal income, spending would have been reduced by \$2.58 billion.

4. **State only or all levels:** Should the amendment limit just state government, or apply to all levels, including schools, cities, and towns? In the past, the legislature has tried to restrain taxes piecemeal, only to find that Wisconsin's state and local governments are inextricably intertwined: if spending is cut at one level, it shifts to another, like stepping on a water balloon. A state-only proposal would immediately come under fire as shifting the tax burden more heavily onto property taxpayers.

Gard favors (1) a constitutional amendment, (2) a simple, clean version, (3) a limit tied to personal income, and (4) a comprehensive cap that applies to all units of government. Something along those lines should emerge over the next week – and then the fireworks will begin.