Did You Know about *these* ALEC Bills?

Some of this Corporate Agenda Has Already Become Law:

Under the administration of ALEC alumni Wisconsin Governor Scott Walker, several changes to the state tax code were drawn from ALEC's 2011 corporate wish list. For example, Governor Walker and the Republican-controlled legislature:

- Eliminated the capital gains tax, as called for in ALEC's Capital Gains Tax Elimination Act. The budget bill excludes 100% of the capital gains realized on investments in Wisconsin for five years, costing Wisconsinites approximately $79 million per year, according to an analysis by the AFL-CIO. An additional exclusion from income tax for capital gains will amount to $36 million per budget cycle.
- Eliminated combined reporting, which is designed to prevent corporations from hiding profits by filtering income through subsidiaries in states that have no income tax, like Nevada. The same principle was set forth in the ALEC's Resolution in Opposition to Mandatory Unitary Combined Reporting.
- Required a supermajority to raise taxes, as called for in ALEC's Super-Majority Act. This was passed as a statute rather than a constitutional amendment, so it could be invalidated more easily by a future majority.
- And even a tax break for a tobacco product that may appeal to children? Wisconsin Senator Alberta Darling rolled a motion into the Wisconsin budget bill that gave a big tax break to a big tobacco company, Altria/Phillip Morris. The committee voted to convert the tax on moist tobacco products from a price-based tax to a weight-based tax. Some moist tobacco products target kids with packaging and candy-like flavors like cherry, apple and grape. The details of the budget motion are identical to ALEC's Resolution on Taxation of Moist Smokeless Tobacco Products. To read more about this story, click here.

Drowning State Government in a Bathtub

Some ALEC model bills would force severe austerity measures for basic services by severely limiting the ability of state government to raise revenue, even before Wall Street crashed the U.S. economy in 2008.

One bill would change the state constitutions across the country to require that all tax increases of any kind be approved by two-thirds of the legislature. If such a restriction were embedded in a state's constitution, then any statute contrary to it could be struck down as unconstitutional by the state Supreme Court. But more importantly, while framed as requiring a "super majority," what such a provision actually does is allow a stubborn minority of legislators to block any tax increase that addresses public needs, even if a majority of the people elected in the state favor the increase. Under this wish list for ALEC corporations and politicians, if just one-third of the legislators plus one more oppose a tax increase, they could thwart it until the next election, no matter the public will or need. Giving a small minority of legislators such veto power is anti-democratic. It is also profoundly unwise to allow current legislators such power to tie the hands of future majorities, regardless of the needs of the people of the state for basic services, or even to address natural disasters or other emergencies. It has already been adopted in several states causing severe problems, as with the similar prior measure in California that has choked off school budgets and other public services for the state's growing population. *(Grover Norquist, quoted in the photo, has been a featured speaker at ALEC.)*