



Welcome to COWS > About COWS > Newsroom > News

## **Anti-Green State Subsidies Cost Taxpayers Plenty**

**By: Joel Rogers, Guest Editorial**

**From: *Madison Capital Times***

**Date: 7/2/2001**

It's always instructive, if depressing, to look at how our tax dollars are used for bad ends. Let's look more closely at how, in Wisconsin, they are used to trash the environment. We see both direct out-of-pocket state expenditures of tax dollars on behalf of polluters, and the "tax expenditures" that flow to them through various loopholes in our tax and regulatory system. This too is our money, if not out-of-pocket, since it's stolen before it even gets there.

Here are four such environmentally damaging expenditures, both direct and indirect.

**Garbage Can Wisconsin:** Let's start with garbage. Wisconsin residents have some of the highest recycling rates in the nation. But Wisconsin's charges for the disposition of industrial waste - about three times what residents produce for landfills, and infinitely more toxic - are so low that neighboring states like Illinois now use us as a dumping ground for their waste. This is because our tax code limits the total amount the state can charge industry for dumping waste. If we merely amended the law to treat industry no more favorably than residents, we'd gain about \$30 million annually in revenues. Further increasing the charge for the disposition of industrial waste, which we should do, would provide further incentive for more efficient production.

**Let's Kill More Trees!** Wisconsin gives two special tax breaks to the timber and paper industries, which own nearly half the forests in our state. One of these exempts sales taxes on equipment used to chop down and grind up trees. The other is a cluster of property tax exemptions on exploited forest land amounting to a bit over \$15 million in annual subsidies to the industry. Along with losing that money to the state, it sends a clear signal to the industry - contrary to the announced conserving purpose of our forest laws - to expand the inefficient exploitation of virgin natural materials. Note that you only get the property tax gift if you actually are in the business of chopping down trees. If you just want to keep them around - for ecological or scenic or recreation purposes - you pay full freight.

**Roads to Nowhere:** The really monster environment-degrading subsidies in the budget go to highways. We're currently slated to spend \$20 billion over the next 20 years on highway construction and expansion, and are already hitting that at a clip of \$500 million a year. This huge public works program is always justified as needed to "relieve congestion." In fact, more and wider highways simply encourage more people to drive, leading to further congestion, and the economic development we really need in the state is not the additional sprawl development fueled by highways, but in-fill development in under-utilized urban and older suburban spaces. Even more perversely, Wisconsin does not make use of federal funds currently available for more sensible transportation. Our mass transit systems are almost comically inadequate, and we rank 49th in the nation in spending on alternative transportation.

**Sprawling Toward New Jersey:** A host of state policies, like the highway mayhem just considered, effectively subsidize sprawl - which leads to air and water pollution and to soil erosion, almost never pays for itself since it inevitably requires new infrastructure to support it (also at other taxpayers' expense), and typically pays lower wages than more urban development. But sometimes we subsidize this directly. A recent study by 1,000 Friends of Wisconsin reveals that close to half the tax incremental financing districts in the state, which provide favored treatment for development, are currently devoted to the development of places that were previously greenspaces, so that's another 30,000 acres of the state that your tax dollars are paying to pave over.

Another way to promote sprawl is to eat away at pre-existing regulatory constraints on it. One of these that used to exist concerned the septic systems that new development required. The protections it afforded were recently abolished by our Department of Commerce. Declaring that "urban sprawl is already with us," the department simply lowered the bar on septic waste disposal, and thereby opened up development on 9 million acres of previously protected land. What was that worth to industry and real estate developers? Your guess is as good as mine.

\* There are lots more environmentally degrading subsidies and loopholes, but this is enough to make the basic points. Along with helping to trash the earth, if you put the waste disposal, forest tax, highway waste, and TIF and Department of Commerce shenanigans together, you've got tangible annual tax losses to Wisconsin on the order of several hundred million dollars a year, and hidden losses far exceeding that.

Just getting rid of all these anti-environmental subsidies would be a big gain for mother earth. And we could stop there, simply enough, by repealing all the exemptions and loopholes just listed. But now let's imagine going further. Instead of just asking government to do less harm, how about asking it to do some good? Imagine taking a chunk of the money just saved - let's say \$500 million a year for starters - and spending it deliberately to promote the technologically advanced and green development that our state needs, and where future markets lie.

Joel Rogers teaches at the University of Wisconsin-Madison and is founder and director of the Center on Wisconsin Strategy (COWS), which administers the Sustaining Wisconsin campaign. This is another in a weekly series of Capital Times columns he's writing on issues in the campaign. For more information, see [www.cows.org](http://www.cows.org) and [www.sustainingwisconsin.org](http://www.sustainingwisconsin.org).

On Jan. 29, COWS debuted "Sustaining Wisconsin," a statewide dialogue about the future of Wisconsin. The themes expressed in this view of the state of the state will carry through the next 18 months as COWS uses Sustaining Wisconsin to put the Wisconsin Idea into action.

---

Copyright © Madison Capital Times