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(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2001-02

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Tax and Spending Limitations...

### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Stefanie Rose (LRB) (September 2012)

## Assembly

### Record of Committee Proceedings

#### **Committee on Tax and Spending Limitations**

##### **Assembly Bill 605**

Relating to: repealing the estate tax.

By Representatives Jensen, Krawczyk, Montgomery, Suder, Freese, Leibham, Kreibich, Albers, Nass, Musser, Starzyk, Hahn, Bies, Owens, Walker, Ladwig, M. Lehman, Vrakas, Ward, Kedzie, Olsen, Hundertmark, Rhoades, Gundrum, J. Fitzgerald, D. Meyer, Gunderson, Stone, Ainsworth, Pettis, Petrowski, Johnsrud and F. Lasee; cosponsored by Senators Panzer, Welch, Darling, Huelsman, Schultz, Roessler and Rosenzweig, by request of the Governor Scott McCallum.

October 29, 2001      Referred to Committee on Tax and Spending Limitations.

November 1, 2001    **PUBLIC HEARING HELD**

Present:    (7)      Representatives F. Lasee, Leibham,  
   Hundertmark, Musser, Seratti, Richards and  
   Turner.  
Absent:     (0)      None.

##### Appearances for

- Rep. Scott Jensen, 32nd Assembly District
- Roger Cliff, Wisconsin Farm Bureau
- Tom Ourada, Department of Revenue
- Robert L. Vrakas, representing himself

##### Appearances against

- None.

##### Appearances for Information Only

- None.

##### Registrations for

- Nate Elias, Metropolitan Milwaukee Association of Commerce
- Bill Smith, National Federation of Independent Businesses
- Joan Hansen, Wisconsin Manufacturers and Commerce
- Kurt Bauer, Wisconsin Bankers Association
- Brandon Scholz, Wisconsin Grocers

##### Registrations against

- Joanne Ricca, Wisconsin State AFL-CIO

January 24, 2002

**EXECUTIVE SESSION**

Present: (7) Representatives F. Lasee, Leibham,  
Hundertmark, Musser, Seratti, Richards and  
Turner.

Absent: (0) None.

Moved by Representative Musser, seconded by Representative  
Leibham, that **Assembly Bill 605** be recommended for passage.

Ayes: (5) Representatives F. Lasee, Leibham,  
Hundertmark, Musser and Seratti.

Noes: (2) Representatives Richards and Turner.

Absent: (0) None.

PASSAGE RECOMMENDED, Ayes 5, Noes 2, Absent 0

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Committee Clerk

# Vote Record

## Assembly - Committee on Tax and Spending Limitations

Date: 11/21/02  
 Moved by: Musser      Seconded by: Lasee  
 Clearinghouse Rule: \_\_\_\_\_  
 Appointment: \_\_\_\_\_  
 Other: \_\_\_\_\_

AB: 605      SB: \_\_\_\_\_  
 AJR: \_\_\_\_\_      SJR: \_\_\_\_\_  
 AR: \_\_\_\_\_      SR: \_\_\_\_\_

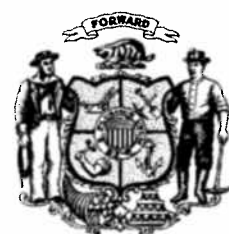
A/S Amdt: \_\_\_\_\_ to A/S Amdt: \_\_\_\_\_  
 A/S Sub Amdt: \_\_\_\_\_  
 A/S Amdt: \_\_\_\_\_ to A/S Sub Amdt: \_\_\_\_\_  
 A/S Amdt: \_\_\_\_\_ to A/S Amdt: \_\_\_\_\_ to A/S Sub Amdt: \_\_\_\_\_

- Be recommended for:
- Passage
  - Indefinite Postponement
  - Introduction
  - Tabling
  - Adoption
  - Concurrence
  - Rejection
  - Nonconcurrence
  - Confirmation

Committee Member	Aye	No	Absent	Not Voting
Rep. Frank Lasee, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Jean Hundertmark	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Terry Musser	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Lorraine Seratti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Jon Richards	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Robert Turner	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>5</u>	<u>2</u>	_____	_____



# WISCONSIN STATE LEGISLATURE





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Testimony to Assembly Committee on Tax & Spending Limitations

By: Brandon Scholz, WGA President

November 1, 2001

Good morning Chairman Lasee and members of the committee. My name is Brandon Scholz, President of the Wisconsin Grocers Association and I am pleased to be here this morning to support legislation which would repeal the estate tax in Wisconsin.

The repeal of the estate tax is an issue that the members of our association have worked on at the state and national level for many years. After a recent success at the federal level to phase out the estate tax by 2008, we assumed a victory. But as you know, Wisconsin did not follow suit and the estate tax in Wisconsin lives on.

The estate tax in Wisconsin is worn like a wet, heavy sleeping bag by all business owners. Critics say it is a tax on the rich—I completely disagree. The estate tax is a penalty to the entrepreneurial spirit and hard-working dedication symbolic of this country.

Grocers epitomize this entrepreneurial spirit. They have worked hard all of their life with the dream of passing their established businesses on to their children. The estate tax kills this dream.

According to the Food Marketing Institute, supermarket succession, the passing of years of hard work on to the next generation, is a top concern of family-owned supermarket retailers and wholesalers. Succession planning is long and difficult. Owners are forced to answer difficult questions about the future of a company they have worked their entire lives to create and grow. The transfer of ownership and the family dynamics are central questions in the decision to plan for the future of the business.

The shocking reality is when the owner realizes that a large portion of his or her company can be lost to estate and gift taxes. These taxes not only cover the life savings of the one who passed away, but also the home, land, pensions, life insurance, stocks and bonds, annuities, IRAs, 401K plans and the business assets and anything else that has any economic value. The deceased has already paid income tax on that money. They have paid and collected payroll taxes and employment taxes; many have paid capital gains taxes as well.

Food retailers and wholesalers run capital intensive businesses, requiring large investments in land, stores or shopping centers, refrigeration, point-of-sale equipment, large inventories, lighting, transportation, such as fleets of trucks, etc. Owners of most family owned grocery stores plow their after tax profits back into their stores in equipment, new consumer services, associates/jobs, remodeling and new store development. The average profit of our industry is one penny on the dollar after taxes, so you can see why the supermarket industry is particularly vulnerable to the devastating effect of this tax.

Family-owned supermarkets that do survive after the principal owner's death have already spent hundreds and even thousands to simply plan for the eventuality of estate taxes. Most grocery stores involved in planning purchase life insurance, have buy/sell agreements or provide lifetime gifts of stock. The WGA strongly believes that the resources spent planning for and paying the death tax could be used more productively to grow supermarkets, provide customers with value and create additional jobs in the economy.

Legislation to eliminate this tax will go a long way during this time of economic slowdown. The WGA urges you to pass legislation to eliminate the estate tax.

Thank you. I'll be happy to answer any questions at this time.