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## Lottery Credit Going, going ....Gone!

Now you see it, now you don't. That's what might happen to the lottery credit for some Wisconsin retailers and manufacturers after the spring referendum.

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The state legislature is half-way-there in changing the state constitution so that *only* primary residents can enjoy the annual proceeds of the state lottery as a credit to their property taxes --back to the good ol' days' when commercial enterprises, second landowners and nonresidents were kept out of the, once attractive, tax credit --before the Dane county District Court declared the assembly's distribution scheme unconstitutional in October of 1996.

This time the legislative strategy is to attack the constitution uniformity provisions in order to bolster support from a tired, depressed and tax-poor electorate --*anything* to make it appear that taxes will be "better next year." If successful, however, all of Wisconsin's manufacturers, retailers, commercial enterprises, second-home owners, multiple-property owners will be eliminated from the lottery distribution starting December for the 1999 lottery year. Democrats and Republicans alike have vowed to take up the issue first thing after the new year and bring it to the public as a referendum in the spring.

The redistribution will shift the lottery refund from all parcels to only primary residential parcels. The 1996 and 1997 distributions were half of what they had been before the court decision so it's likely that the 1998 estimated \$\_\_\_\_million distribution will be last.

### **Let's blame it on the nonresidents**

Through their statewide association, out-of-state landowners brought the suit that declared the lottery distribution method unconstitutional. prejudices notwithstanding they only share in about 10-12% of the total proceeds because their numbers are small compared with Wisconsin's entire landowner population. The big winners of the suit were Wisconsinites themselves --that is, commercial and multi-parcel owners--taking upwards to 45% of the lottery pot where before they were getting nothing. The unfortunate part is that a uniform sharing of the credit had to take it from single-family residences, arguably the ones who need it the most.

Nevertheless, our legislators will rally the voters to support the referendum to keep Wisconsin money "at home." "Keep it from the those out-of-state residents." they'll clamor, and they'll have a pretty good shot at getting Wisconsin to cut it's nose to spite it's face. Roughly half of the voters gains will be taken from their grocer or tavern-owner down the road --about 10 cents on a dollar will go out of state.

The out-of-state residents will not care much anyway. They aren't about to squabble over \$50 bucks either way given the \$3 billion they spend in the state annually. After all, their suit wasn't about money, it was about equity, it was about playing fair. Something our legislators can't seem to rise above in their never-ending quest to justify their last referendum about the lottery a decade ago.