



Statement on Elimination of Wisconsin's Forestry Mill Tax

March 6th, 2017

Since 1930, dedicated funding from Wisconsin's Forestry Mill Tax has provided essential support for activities that assure the continued health and productivity of over 17 million acres of Wisconsin's federal, state, county, and private forests, and direct benefits for our state's \$24.7 billion dollar forestry sector and its more than 64,000 jobs.

Governor Walker's proposed budget would eliminate \$180.4 million in estimated Forestry Mill Tax revenue in the 2017-2019 biennium and replace that funding with General Purpose Revenue (GPR). This will jeopardize the accomplishments and stability of one of the most successful forestry programs in the United States. The Wisconsin members of the Forest Stewards Guild strongly oppose the elimination of this essential, dedicated funding source for forestry in Wisconsin.

Authorized in 1924, the Forestry Mill Tax is the only property tax authorized in the Wisconsin Constitution. This annual revenue source has supported broad-based forestry programs that have facilitated the successful recovery from the degraded "cut-over" lands that dominated much of Wisconsin in the 1920's to the healthy and productive forest resource all Wisconsin citizens enjoy today. In 2014 the median Forestry Mill Tax was estimated to be \$25.46 for a \$150,500 home, or 0.9% of the median property tax.

Forestry Mill Tax revenue supports more than just state forests – it provides resources that overwhelmingly benefit rural areas and small communities throughout the state. Mill Tax revenue pays for wildland fire control and operations of WDNR's emergency Incident Command System across Wisconsin. It supports Wisconsin's 2.4 million acre County Forest program, funds forest management activities on private lands through stewardship grants and technical services, and provides forest health and forest products expert services statewide. It funds grants for local fire departments and tree care programs in communities across the state. Mill tax revenues fund \$13.5 million of annual bonding for the broadly popular Knowles-Nelson Stewardship Program and is thus the single biggest dedicated funding source for our primary outdoor land protection program.

Replacing stable funding for forestry and conservation with General Purpose Revenues will open the door to biennial budget reductions that will subject one of the best programs in the nation to the erosion of capacity that has occurred in other natural resource programs in Wisconsin, and in natural resource agencies in other states. If forests and outdoor conservation programs are forced to compete with schools, roads, and other equally important and often more immediate public needs we will be putting our conservation success story and the myriad benefits our forests provide, including the over 64,000 jobs in our forestry sector, at risk.

We urge the legislature to remove the budget provision that eliminates the Forestry Mill Tax as a stable source of revenue. Balancing our state budget priorities is already a difficult job. There is no good reason to make that job \$180 million more difficult by eliminating a successful and strategically important resource that benefits every Wisconsin citizen.

Contact: Fred Clark, Executive Director. Fred@forestguild.org 608.286.0240