

WMC

SMALL BUSINESS LEGISLATIVE AGENDA



2019-2020 SESSION

LEGISLATIVE AGENDA

WMC SMALL BUSINESS

WMC is home to enterprise of all shapes and sizes. Many of our members are companies that employ 100 people or less. WMC is giving these companies a voice through the WMC Small Business Committee. The WMC Small Business Committee (SBC) is comprised of individuals from small businesses representing every sector of Wisconsin's economy. The committee creates and champions public policy that complements the larger vision and legislative agenda of WMC, giving small business representation on important issues.



Wisconsin's business climate has drastically improved. We have seen full implementation of the Manufacturing and Agricultural Tax Credit (MAC), Wisconsin became the 25th Right to Work state in the nation and most recently we have seen the lowest unemployment rate in over 16 years. Despite the great strides that have already been taken, there is still much to do. The WMC Small Business Committee is an opportunity for entrepreneurs, family businesses, and main street industry to grow a better Wisconsin. In an effort to make Wisconsin the best place to start and grow a business, the SBC adopted this 2019-2020 Small Business Legislative Agenda.

Sincerely,

A handwritten signature in black ink that reads "Brittany Rockwell".

Brittany Rockwell
Director of Small Business Advocacy



REGULATORY REFORM

Wisconsin's regulatory climate and permitting burdens are often viewed as among the most aggressive in the country. Every dollar that a business spends on regulations that are too costly, complex and cumbersome is a dollar that can't be spent to raise wages, hire additional workers, or expand the business. The reforms enacted in 2011 Act 21 are an important first step toward a better state regulatory climate, but additional reforms are necessary to ensure Wisconsin is a model for other states to follow.

AUTOMATICALLY SUNSET REGULATIONS

Regulations written by unelected bureaucrats stay on the books indefinitely, leaving us with an outdated regulatory system that often does not reflect modern day practices. To ensure regulations are still necessary and as efficient as possible, require all regulations to sunset to force agencies to reevaluate them for continued relevancy or necessity.

ENACT SIMPLIFICATION OF AGENCY RULES

Establish new criteria for agency regulations that require rules to be written in simple and clear language, while considering the costs and benefits of the rule, and regulating in the least burdensome manner.

REVIEW COSTLY & OBSOLETE REGULATIONS

Improve our regulatory environment by retroactively reviewing existing administrative rules to repeal or reform obsolete, costly or cumbersome regulations.



TAXES & GOVERNMENT SPENDING

Wisconsin is on the road to a more competitive tax climate. The manufacturing and agricultural tax credit is making Wisconsin even more attractive for investment in these two key drivers of our economy. Recent income tax reductions and reforms to the state Alternative Minimum Tax (AMT) have helped lessen the burden. However, Wisconsin remains among the highest-taxed states. WMC supports the following reforms to reduce the tax burden facing Wisconsin families and employers.

LOWER THE PERSONAL & CORPORATE INCOME TAX RATES

Repeal the 2009 tax hike that created the top individual income tax bracket of 7.65% - the top bracket would be 6.27%. Reduce the 7.9% corporate income tax rate to keep Wisconsin's tax regime competitive for corporations and pass-through entities alike.

PHASE OUT THE PERSONAL PROPERTY TAX

Items that can be removed from real estate without affecting it are considered personal property and are taxed on top of real estate property taxes. This double taxation drives cost for businesses and is difficult and costly to administer. Wisconsin should phase this tax out.

OPPOSE ANY ATTEMPT TO PASS "DARK STORES" LEGISLATION

Prohibit local property assessors from increasing property taxes on businesses by including the value of leases or other intangible business assets in the value of business property.

DEFEND MANUFACTURING & AGRICULTURAL PRODUCTION TAX CREDIT

Defend against legislative efforts to repeal the Manufacturing & Agricultural Production Tax Credit (MAC).

MAKE THE RESEARCH & DEVELOPMENT TAX CREDIT FULLY REFUNDABLE

Wisconsin's R&D credit has historically been used to incentivize high-tech, good-paying jobs to Wisconsin. However, it has lost its efficacy. Making Wisconsin's R&D credit fully refundable will ensure our state can compete for these jobs in the future.

EDUCATION & WORKFORCE

Wisconsin's economy is moving in the right direction. The unemployment rate is the lowest it's been in years, and employers are hiring again. Unfortunately, employers too often struggle to find qualified, skilled workers for well-paying jobs. The following reforms will help connect workers with training so that there is a pipeline of skilled workers throughout our state. This starts in K-12 and continues through adult learning.

SUPPORT SCHOOL CHOICE & CHARTER SCHOOLS

Expand parental choices in charter and choice schools. Specific reforms include removing barriers to entry for private schools wanting to join the statewide choice program, expanding choice eligibility criteria, expanding

eligible authorizers for public charter schools, and exploring education savings accounts for students.

APPRENTICESHIP & INTERNSHIP OPPORTUNITIES

Apprenticeships and internships give students hands-on experiences that lead to meaningful job opportunities. Students with an apprenticeship or internship are also more likely to stay with an employer long term. Wisconsin should incentivize K-12 school districts to partner with their local employers to offer students these important real-world career experiences, including industrial arts, as part of their high school coursework.

EXPAND DUAL ENROLLMENT

Wisconsin should expand dual enrollment opportunities so more students can earn higher education credits through the UW System, or make progress toward receiving a technical certification through the Wisconsin Technical College System while they are in high school.

PROMOTE WISCONSIN'S TALENT ATTRACTION CAMPAIGNS

Continue a sustained paid-media campaign in Chicago, the Twin Cities and other major media markets to promote Wisconsin as a top choice to live, work and play. Market specifically to veterans, military personnel and UW graduates to increase the state's talent pool. Additionally, provide tax incentives to encourage recent college graduates to remain in Wisconsin's workforce.

CIVIL JUSTICE & LEGAL REFORM

The Wisconsin Legislature has an opportunity to build upon award-winning legal reforms enacted in our state over the past few years. We can add even more fairness, transparency and predictability to our legal system with the following reforms.

REMOVE FELONS AS A PROTECTED CLASS UNDER THE FAIR EMPLOYMENT ACT

Allow employers to terminate or refuse to employ someone convicted of a felony. Require uniform enforcement at the state, county, and municipal levels, pre-empting local governments from treating felons as a protected class.

PRE-EMPT LOCAL DISCRIMINATION LAWS

Employers need consistency and certainty in the employment laws they must follow. The state should recognize this as an area of statewide concern and prohibit local units of government from setting employment discrimination regulations.

PREVENT PLAINTIFFS FROM RECOVERING PHANTOM DAMAGES

Allow juries to review the amount billed and the amount actually paid for medical costs in personal injury cases when deciding how to assess damages.



ENVIRONMENT & ENERGY

Wisconsin employers face an increasingly costly environmental regulatory climate. Many environmental regulations in Wisconsin are more stringent than what is necessary to protect the environment, and more stringent than what is required by other states. In addition, federal regulations on the electric power sector are driving significant increases in the cost of electricity. Wisconsin employers need affordable and reliable energy, and relief from costly and burdensome environmental regulations. The following initiatives will help level the playing field by making Wisconsin's environmental and energy cost structures more competitive.

ALIGN STATE & FEDERAL ENVIRONMENTAL STANDARDS

Remove the cost and complexity of existing "Wisconsin only" environmental regulations and work to ensure that newly promulgated rules are no more stringent than federal requirements.

PREEMPT DUPLICATIVE & BURDENSOME LOCAL REGULATIONS

Environmental regulations and permits are issued by the state DNR. Additional layers of local environmental regulations and permitting add cost and confusion for businesses. Prohibit local governments from establishing or imposing environmental standards or permits, and thereby reinforce the DNR as the sole environmental regulator in Wisconsin.

PROVIDE REGULATORY CERTAINTY TO THE SAND MINING INDUSTRY

Codify the DNR as the state's environmental regulator and protect lawfully operating mining operations from being shut down by overzealous government regulation.

AVOID EXPENSIVE ENERGY MANDATES, SUBSIDIES & TAXES

Stop the escalation that has made electric rates in Wisconsin among the highest in the Midwest by rejecting the enactment of expensive energy mandates, unfair cost-shifting or new energy taxes.



HUMAN RESOURCES & EMPLOYMENT LAW

The cost of complying with human resources and employment regulations is significant for all employers. We need to ensure Wisconsin remains competitive with other states by streamlining employment regulations, addressing the growing medical cost associated with Workers Compensation, and ensuring a level playing field in our labor laws.

PRE-EMPT LOCAL DISCRIMINATION LAWS

Employers need consistency and certainty in the employment laws they must follow. The state should recognize this as an area of statewide concern and prohibit local units of government from setting employment discrimination regulations.

ALIGN WISCONSIN'S FAMILY & MEDICAL LEAVE ACT (FMLA)

Governor Thompson signed Wisconsin's FMLA in 1988. President Clinton signed the federal FMLA in 1993. A harmonization of our state law and federal law has never taken place, leaving Wisconsin companies to deal with two sets of rules. Exempting employers who must follow federal regulations from the state law would remove the burden of complying with both laws, and remove confusion resulting from compliance with two overlapping and conflicting leave laws.

CONTAIN WORKERS COMPENSATION MEDICAL COSTS WITH A FEE SCHEDULE

Wisconsin's work comp medical costs are significantly higher than the national average, making our employers less competitive. WMC supports curbing these costs, as 44 other states have already done, by implementing a fee schedule for workers compensation charges. WMC also supports allowing employers to utilize medical providers with the best outcomes, establishment of enforceable treatment guidelines to ensure appropriate care, and administrative efficiencies to reduce transaction costs.

CLARIFY DEFINITION OF EMPLOYMENT DESIGNATIONS

Provide a clearer and simpler definition for "employee" versus "independent contractor" so businesses can more easily comply with employment laws.



AFFORDABLE HEALTH CARE

While we have high quality health care in Wisconsin, rising health care costs continue to be a top business concern. Compounded by the increased costs brought on by the federal Affordable Care Act, offering health insurance has never been more expensive for employers. WMC believes Wisconsin should enact policies to help contain the cost of health care without damaging the high quality we enjoy.



PROMOTE CONSUMER-DRIVEN HEALTH CARE & ACCESS TO COST & QUALITY DATA

Informed health care consumers create a competitive market. Wisconsin should continue down the path of providing all health care consumers with cost and quality data, enabling them to make informed decisions on their providers and facilities.

OPPOSE THE FEDERAL EXPANSION OF MEDICAID

Actively oppose policies like Medicaid Expansion that would move more people onto government subsidized healthcare.

TRANSPORTATION & INFRASTRUCTURE

Wisconsin is a national leader for manufacturing, tourism and agriculture. We need a safe, robust and reliable transportation infrastructure to support these key sectors of our economy. Unfortunately, we have a significant gap between existing transportation revenue streams and our highway, port and rail needs. The following items will help ensure that Wisconsin's transportation infrastructure is well-positioned to meet the needs of businesses and consumers.

INCREASE TRUCK WEIGHT LIMITS

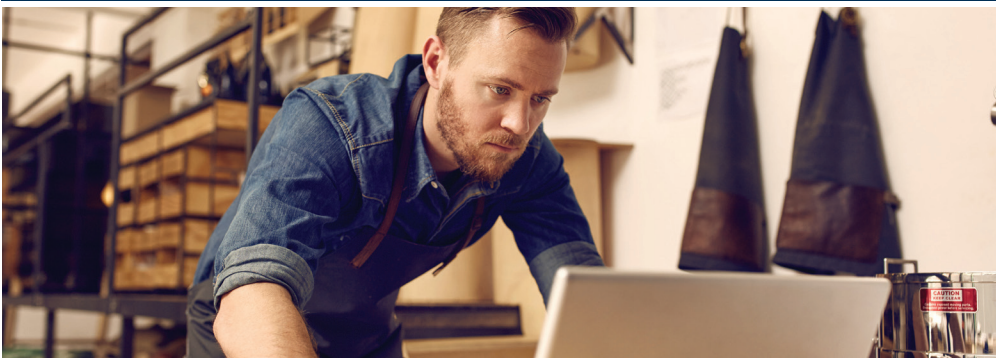
Increase the intra-state truck weight limit beyond 80,000 pounds to increase the efficient moving of freight.

ENSURE EFFICIENT USE OF AVAILABLE TRANSPORTATION RESOURCES

Ensure available transportation funding is used efficiently by leveraging federal dollars, streamlining permitting and limiting bureaucracy.

LEVERAGE THE PRIVATE SECTOR

Leverage the private sector and reduce state government costs by encouraging WisDOT to use private sector consultants and engineers where practical.



WMC