

November 7, 2013

To: Members of the Senate Committee on
From: Senator Glenn Grothman
Re: Senate Bill 34

Thank you for the opportunity to testify in support of Senate Bill 34.

Wisconsin's Local Broadcasters provide an important link between elected officials and their communities. They serve to provide both a means of communication for lawmakers and candidates to be heard and a platform to keep the public informed and educated on current political issues. Local broadcasters also maintain one of the lone sources of communications during emergencies when other technologies can fail.

Currently, 19 states (including Michigan, Minnesota and Ohio) have sales tax exemptions for commercial radio or television stations to purchase digital equipment necessary to maintain the high quality standards of broadcasting that the community has come to rely on. This exemption covers those companies who provide these transmissions free to the public.

I am planning to introduce an amendment along with the Assembly Author which has the support of the Wisconsin Broadcasters Association to remove the provision in the bill giving exemption for personal property tax on broadcast equipment. This amendment will create a sales-tax-only exemption on new equipment purchases for broadcasters.

This bill has broad bi-partisan support from members of the Senate and Assembly from all areas of the state. It is a bill that recognizes the importance of local broadcasters to their community, to the political process and to the state as a whole.

Please join me in support of local the radio and television communication industry by passing SB 34.



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To: Senate Committee on Workforce Development, Forestry, Mining and Revenue

From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities

Date: November 7, 2013

Re: Oppose SB 34, Creating a Property and Sales Tax Exemption for Commercial Radio and TV Stations

The League of Wisconsin Municipalities opposes SB 34, creating a sales and property tax exemption for property used by commercial radio and television stations. DOR estimates that property tax exemption created by the bill could shift up to \$2.1 million in property taxes from the exempted radio and TV stations to other taxable property, mainly residential homeowners. Currently, 70% of the total statewide property tax levy is paid by residential homeowners. This bill, like all new property tax exemptions, increases the already substantial share of the property tax burden that is borne by homeowners.

We urge you to vote against recommending passage of SB 34. Thanks for considering our comments.

Michelle Vetterkind
President & CEO, Wisconsin Broadcasters Association
Testimony regarding SB-34, Sales Tax Exemption for Wisconsin's free, over-the-air local
broadcast stations

Mr. Chairman and Members of the Committee:

I'm Michelle Vetterkind, President & CEO of the Wisconsin Broadcasters Association. On behalf of our Board of Directors (many of whom are with us here with us today) and the 400+ free, over-the-air radio and television stations in Wisconsin (which employ over 5,000 Wisconsin residents), we want to extend our sincere appreciation for holding this public hearing today.

The WBA and its members have worked hard on this legislation for the past two years. You'll hear shortly why this is needed to help the broadcast industry in Wisconsin. Before I introduce the gentlemen with me this morning, I want to thank Senator Glenn Grothman and Representative Joel Kleefisch for introducing our bill in this legislative session, as well as in the previous session.

We are very proud of the fact that our members, through their work in meeting with members of the legislature, have secured 40 bi-partisan cosponsors from both houses as well as another 35 members who have expressed strong support for the bill.

It is for this reason, as well as the issues you are about to hear, that we ask that after the public hearing today, that the committee schedule an Executive Session as soon as possible. We are confident that because of the strong bi-partisan support of the bill that it will pass both chambers and be signed into law.

Mr. Chairman, I would now like to introduce the two gentlemen with me this morning.
Dean – Director of Operations, WISN-TV, Milwaukee and current Chair of the WBA Board
Roger – President & CEO of Nicolet Broadcasting, Inc. in Sturgeon Bay and WBA Legislative Chair

Thank you Mr. Chairman. Again we appreciate the opportunity be here today.



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WBA President since 2007
17+ years experience
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Meet the Wisconsin Broadcasters Association

*The WBA is proud to represent Wisconsin's 400 Free,
Over-the-Air Radio & TV stations
(which employ over 5,000 Wisconsin residents).
98% of Wisconsin stations are WBA members.*

Benefits of Free, Over-the-Air Local Broadcasting to Wisconsin

- Wisconsin Broadcasters serve as bridges of communication between local officials and their communities. Radio and television stations are committed to providing the means for lawmakers and candidates to be heard. In addition, broadcasters know the importance of keeping the public informed and educated on pressing political issues. Broadcasters are active in their communities serving as the eyes and ears.
- Wisconsin Broadcasters' commitment to public service is never more apparent than during times of crisis. During an emergency – particularly one that arises with little notice – no other industry can match the ability of local broadcasting to deliver comprehensive, up-to-date warnings and information to affected citizens. Local radio & television stations are Wisconsin's most reliable network for distributing emergency information. Even if the electricity is out, causing the Internet and cable television to go down, and cell coverage is lost because networks are clogged or a tower is down, free, over-the-air broadcasters can still be on the air and are the lifeline for emergency information.
- The WBA and Wisconsin's Broadcasters are extremely proud of our local AMBERAlert System in Wisconsin, which is one of the most successful systems in the country due to our shared leadership with Wisconsin's Department of Justice. Since the inception of Wisconsin's Amber program in 2003, we have had 23 Amber Alerts with the successful recovery of 31 children.
- Wisconsin Broadcasters are an integral part of their communities and offer un-equalled public service to local communities throughout Wisconsin. Wisconsin's radio & television stations contribute approximately \$270 million per year to their communities through fund-raising efforts and donations of air-time for public service announcements. No other industry serves their communities to this level.

Sales Tax Exemption for Wisconsin's Free, Over-The-Air Local Broadcasters

On behalf of Wisconsin's free, over-the-air local broadcasters, we ask that you grant the free, over-the-air licensed radio and television stations a sales tax exemption on the purchase of broadcast equipment and the supplies and electricity which are used to create radio and television products.

- This will help the sector of the small business community that is comprised of independently-owned and operated free, over-the-air local radio and television stations by investing in our businesses, maintaining and creating jobs, and controlling our business expenses.
- Wisconsin's Radio & TV stations are economic engines! TV stations have invested in additional digital channels to bring more, free, over-the-air programming to the Wisconsin consumers. Radio stations are also in the process of converting their equipment to meet the digital age. We even run the most viewed websites with valuable local news & information. All of this requires capital expenditures and hiring additional personnel and contributes to Wisconsin's economic vitality. This is a continuing process as equipment, standards and viewer needs change.
- In addition to this most important economic argument, we are also asking for parity with newspapers. Newspapers, which are our primary competitors for advertising revenue, already have such an exemption on their equipment. This exemption affords them a competitive advantage over us and we are simply asking for a level playing field.
- Broadcasters are the conduit to growing every sector of Wisconsin's economy by helping our advertising clients create jobs in their businesses by creating markets that put money into the pockets of those who are hiring.
- Wisconsin's stations have also made big investments in maintaining very expensive "back-up" systems, such as generators, to keep our stations on the air during severe weather and emergency situations, which provides Wisconsinites with crucial and reliable life-saving information when it is needed most!
- We believe this measure will help ensure our long-term financial health and will ultimately help grow Wisconsin's economy. Broadcasting is changing; Wisconsin's radio and television stations have some of the most highly utilized websites and social media audiences. Television is now using 3 screens, TV, web, and mobile. This is the way Wisconsinites get some of their local news and information today, and this will continue to grow. We broadcasters want to provide Wisconsin citizens with the information tools they need for the future.
- We have strong bi-partisan support from both houses in a time when many issues in the legislature are very contentious. The broadcasters in Wisconsin have made this appeal in two consecutive legislative sessions and we hope we have shown that the sales tax exemption is critical to our business.

Summary

Wisconsin's free, over-the-air local broadcasters ask that the legislature grant free, over-the-air licensed radio and television stations a sales tax exemption on the purchase of broadcast equipment and the supplies and electricity we use to create our product.

We believe that providing a sales tax exemption for free-over-the-air, licensed broadcasters' machinery, equipment, supplies and electricity is truly a matter of sound economic development.

If a sound economic development policy depends on solidifying current Wisconsin industries, providing incentives for those industries to create more jobs and also trying to attract new industries, either through start-ups or relocations in Wisconsin, the Wisconsin broadcast industry is one of the current state industries that should be provided incentives.

Newspapers, which are broadcasters' primary competitors for advertising revenue, have specifically been given such an exemption on their equipment by being classified as manufacturers under the manufacturing machinery, equipment and utilities tax exemption law. We, as Wisconsin's radio and television stations, are not so classified. This exemption for newspapers affords them a competitive advantage over us, as broadcasters, whose ONLY source of revenue is advertising.

Wisconsin's stations have also made big investments in maintaining very expensive "back-up" systems, such as generators, to keep our stations on the air during severe weather and emergency situations, which provides crucial and reliable life-saving information when it's needed most.

Wisconsin's Radio & TV stations are economic engines! We run some of the most viewed websites with valuable news and information. TV stations have invested in additional digital channels to bring more free, over-the-air programming to the Wisconsin public. Radio stations are also in the process of converting their equipment to meet the digital age. All of this requires capital expenditures and hiring additional personnel and can contribute to Wisconsin's economic vitality.

Wisconsin's local radio and television broadcasters are embedded in our communities and committed to serving them every day. In towns big and small, Wisconsin's broadcasters provide our communities with national and local news, deliver informational programming, provide vital emergency warnings and offer top-quality entertainment choices. Free, local radio and television connect friends, family and neighbors to each other. Broadcasters are the conduit to growing every sector of Wisconsin's economy by helping our advertising clients create jobs in their businesses by creating markets that put money into the pockets of those who are hiring.

Tax exemptions should be used consistently to encourage activities that are beneficial to the public as a whole; broadcasters, consistently serving our communities, certainly deserve consideration for a sales and property tax exemption on our manufacturing machinery, equipment, supplies and electricity.

It is a matter of equity and sound economic development.

-OVER-

Co-sponsors (AB5/SB34) – 2013-2014 Session

Rep. Garey Bies – R
Rep. Ed Brooks – R
Rep. Steve Doyle – D
Rep. Mike Endsley – R
Rep. Brett Hulsey - D
Rep. Andre Jacques – R
Rep. John Jagler – R
Rep. Andy Jorgensen – D
Rep. Fred Kessler – D
Rep. Joel Kleefisch – R (Sponsor)
Rep. Dan LeMahieu – R
Rep. Cory Mason – D
Rep. Dave Murphy – R
Rep. Steve Nass – R
Rep. Lee Nerison – R
Rep. Al Ott – R
Rep. Warren Petryk – R
Rep. Don Pridemore – R
Rep. Christine Sinicki – D
Rep. Jeff Stone – R
Rep. Patricia Strachota – R
Rep. Scott Suder – R
Rep. Jeremy Thiesfeldt – R
Rep. Paul Tittl – R
Rep. Travis Tranel – R
Rep. Tom Weatherston – R
Rep. Mandy Wright – D
Rep. Josh Zepnick – D

Senator Tim Cullen – D
Senator Glenn Grothman – R (Sponsor)
Senator Rick Gudex - R
Senator Dave Hansen – D
Senator Neal Kedzie – R
Senator Frank Lasee – R
Senator Joe Leibham – R
Senator Luther Olsen – R
Senator Jerry Petrowski – R
Senator Dale Schultz – R
Senator Jennifer Shilling – D
Senator Leah Vukmir – R

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Joan	Ballweg	41 R-Markesan
Peter	Barca	64 D-Kenosha
Mandela	Barnes	11 D-Milwaukee
Terese	Berceau	77 D-Madison
Penny	Bernard Schaber	57 D-Appleton
Kathy	Bernier	68 R-Chippewa Falls
Janet	Bewley	74 D-Ashland
Gary	Bias	1 R-Sister Bay
Jill	Billings	95 D-La Crosse
Mark	Born	39 R-Beaver Dam
Ed	Brooks	50 R-Reedsburg
Fred	Clark	81 D-Baraboo
Dave	Craig	83 R-Big Bend
Mary	Czaja	35 R-Irma
Chris	Danou	92 D-Trempealeau
Steve	Doyle	94 D-Onalaska
Mike	Endsley	26 R-Sheboygan
Eric	Genrich	90 D-Green Bay
Evan	Goyke	18 D-Milwaukee
Gary	Hebl	46 D-Sun Prairie
Dianne	Hesselbein	79 D-Middleton
Gordon	Hintz	54 D-Oshkosh
Mark	Honadel	21 R-South Milwaukee
Brett	Hulsey	78 D-Madison
Rob	Hutton	13 R-Brookfield
Andre	Jacoue	2 R-Green Bay
John	Jagler	37 R-Watertown

sponsor 2013-2014 session
will still support us if comes to vote
strongly opposes.



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Chris	Kapenga	99 R-Delafield
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John	Klenke	88 R-Green Bay
Dan	Knodl	24 R-Germantown
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Debra	Kolste	44 D-Janesville
Dale	Kooyenga	14 R-Brookfield
Bill	Kramer	97 R-Waukesha
Scott	Krug	72 R-Wisconsin Rapids
Mike	Kuglitsch	84 R-New Berlin
Tom	Larson	67 R-Colfax
Daniel	LeManieu	59 R-Cascade
Amy	Loudenbeck	31 R-Clinton
Howard	Marklein	51 R-Spring Green
Cory	Mason	66 D-Racine
Nick	Milroy	73 D-South Range
Dave	Murphy	56 R-Greenville
Jeffrey	Mursau	36 R-Crivitz
John	Murtha	29 R-Baldwin
Steve	Nass	33 R-Whitewater
Lee	Narison	96 R-Westby
John	Nygren	89 R-Marinette

Tod	Ohnstad	65 D-Kenosha
Alvin	Ott	3 R-Forest Junction
Jim	Ott	23 R-Mequon
Sandy	Paasch	10 D-Whitefish Bay
Kevin	Petersen	40 R-Waupaca
Warren	Petryk	93 R-Eleva
Sondy	Pope-Roberts	80 D-Middleton
Don	Pridemore	22 R-Hartford
Jon	Richards	19 D-Milwaukee
Daniel	Riemer	7 D-Milwaukee
Janis	Ringhand	45 D-Evansville
Keith	Ripp	42 R-Lodi
Joe	Sanfelippo	15 R-West Allis
Melissa	Sargent	48 D-Madison
Michael	Schraa	53 R-Oshkosh
Erik	Severson	28 R-Star Prairie
Katrina	Shankland	71 D-Stevens Point
Christine	Sinicki	20 D-Milwaukee
Stephen	Smith	75 D-Shell Lake
John	Spiros	86 R-Marshfield
Jim	Steineke	5 R-Kaukuana
Jeff	Stone	82 R-Greendale
Pat	Strachota	58 R-West Bend
Duey	Stroebel	60 R-Saukville
Scott	Suder	69 R-Abbotsford
Rob	Swearingen	34 R-Rhineland
Gary	Tauchen	6 R-Bonduel
Chris	Taylor	76 D-Madison
Jeremy	Thiesfeldt	52 R-Fond du Lac



Paul	Tittl	25 R-Manitowoc
Travis	Tranel	49 R-Cuba City
Special Electio	Vacant	98
Robin	Vos	63 R-Rochester
Amy Sue	Vruwink	70 D-Milladore
Dana	Wachs	91 D-Eau Claire
Tom	Weatherston	62 R-Racine
Chad	Weininger	4 R-Green Bay
Mary	Williams	87 R-Medford
Mandy	Wright	85 D-Wausau
Leon	Young	16 D-Milwaukee
JoCasta	Zamarripa	8 D-Milwaukee
Josh	Zepnick	9 D-Milwaukee

SENATE

Tim	Carpenter	3 D-Milwaukee
Robert	Cowles	2 R-Green Bay
Tim	Quiles	15 D-Janesville
Alberta	Darling	8 R-River Hills
Michael	Ellis	19 R-Neenah
Jon	Erpenbach	27 D-Middleton
Paul	Farrow	33 R-Pewaukee
Scott	Fitzgerald	13 R-Juneau
Glenn	Grothman	20 R-West Bend
Rick	Gudex	18 R-Fond du Lac
Dave	Hansen	30 D-Green Bay
Nikiya	Harris	6 D-Milwaukee
Sheila	Harsdorf	10 R-River Falls
Bob	Jauch	25 D-Poplar

Neal	Kedzie	11 R-Elkhorn
Chris	Larson	7 D-Milwaukee
Frank	Lasse	1 R-De Pere
Julie	Lassa	24 D-Stevens Point
Mary	Lazich	28 R-New Berlin
John	Lehman	21 D-Racine
Joe	Leibham	9 R-Sheboygan
Mark	Miller	16 D-Monona
Terry	Moulton	23 R-Chippewa Falls
Luther	Olsen	14 R-Ripon
Jerry	Petrowski	29 R-Marathon
Fred	Risser	26 D-Madison
Dale	Schultz	17 R-Richland Center
Jennifer	Shilling	32 D-La Crosse
Lena	Taylor	4 D-Milwaukee
Tom	Tiffany	12 R-Hazelhurst
Kathleen	Vinehout	31 D-Alma
Leah	Vukmir	5 R-Wauwatosa
Bob	Wirch	22 D-Pleasant Prairie

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