

**The Capital Times Editorial**  
**March 1, 2008**

## **HOSPITAL TAX PAYS FOR ITSELF**

This is truly a case of not seeing the forest for the trees.

We're living in an era when anytime someone even mentions the words tax increase, any tax increase, knees go jerking, and a gaggle of politicians proclaims in unison, "over my dead body."

The absurdity of this reaction, frequently led by the notorious anti-tax lobby Wisconsin Manufacturers & Commerce, is demonstrated by the fallout over Gov. Jim Doyle's proposal to enact a 0.8 percent tax on the gross receipts of Wisconsin hospitals.

Doyle proposed the tax in his budget last year. Predictably, WMC and the Republicans who hold sway over the Assembly quickly circled the wagons and announced they would fight the tax. After holding the budget process hostage for months, they were successful in killing the tax.

Had the anti-tax crowd stopped to look, however, they would have found that this proposed tax increase would actually have been offset by federal dollars that only become available if the tax is enacted.

The tax would have brought in about \$400 million from the hospitals, but the hospitals would have received that \$400 million and more in matching federal money to help pay for Medicaid programs.

Even the Wisconsin Hospital Association, which represents the state's hospitals, saw the advantages of Doyle's plan and realized that most hospitals would come out ahead if the tax was enacted. It urged the Legislature to keep the tax in the budget, but the anti-taxers-no-matter-what wouldn't listen.

Today, thanks to the faltering economy, the state is facing a \$650 million deficit in the budget finally enacted last fall. The hospital tax could still help Wisconsin tap into millions of federal dollars that it could be getting if it weren't for the shortsightedness of the Assembly GOP leadership.

Doyle and the Senate Democrats want to revisit the issue.

Will the Assembly leaders get their heads out of the sand? We can only hope so.