



## Wisconsin Economic Development Association

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### **COMBINED REPORTING TAX SYSTEM: A NEGATIVE FOR ECONOMIC DEVELOPMENT**

The Wisconsin Economic Development Association (WEDA) today released a report that reaffirms economic development concerns regarding combined reporting for determining tax liability obligations of multi-state corporations

Kristen Fish, WEDA President, announced that, "The report reinforces WEDA's long-standing opposition to the adoption of combined reporting as a method of corporate taxation. The mere existence of combined reporting in a state has an adverse impact on business location and expansion decisions."

Fish reported that the WEDA Board had commissioned the study to be conducted by the Wisconsin Economic Development Institute (WEDI), a 501(c)(3) organization dedicated to research relating to economic development in Wisconsin. The report entitled: *Whither Combined Reporting - An Economic Development Viewpoint* was prepared by Dr. Roger Nacker, WEDI President. "Combined Reporting had resurfaced as an issue during the 2007-08 legislative session and the WEDA Board determined that a fresh review of this important economic development issue was warranted," Fish said.

The report emphasizes that: 1) businesses do have choices relating to where to allocate resources; 2) corporate taxes do matter; and, 3) businesses and investors tend to favor states that do not require combined reporting.

The report also points out that combined reporting is not guaranteed to increase revenues. If it does, however, it constitutes a tax increase.

"We hope that this research product will assist decision makers in giving careful consideration to the economic development consequences associated with implementing tax policy decisions," President Fish concluded.