



2012 POSITION PAPER

INCREASE STATE TOURISM MARKETING BUDGET

The tourism industry is grateful for the support of Governor Walker and the State Legislature in approving a \$2.5 million annual increase for the Department of Tourism's budget. In a tough economy, Wisconsin is working to keep and create new jobs. Increased investment in tourism promotion creates jobs, grows the economy and generates new tax revenue. A Department of Tourism study* estimated that the summer and fall 2010 advertising campaign alone generated a 7:1 return on investment in state and local tax dollars. The 7:1 ROI equates to \$11.6 million in state and local taxes that can be used for education, health care, public safety and more. Without tourism promotion, these dollars would not have come to the state. In 2010, travelers spent an overall estimated \$12 billion in Wisconsin, directly supporting 190,000 jobs and \$1.6 billion in state and local tax revenue.* Also, Wisconsin is losing ground to other states in tourism promotion spending. Michigan spends \$25 million on the popular *Pure Michigan* campaign and Illinois' tourism budget is more than \$45 million. While the \$15 million state tourism budget is well below that of neighboring Michigan and Illinois, the recent budget increase along with private sector investment and local level promotion, Wisconsin tourism is showing signs of growth. The investment is paying off.

ROOM TAX REFORM

Room tax is a local tax option authorized by state statute that imposes a tax ranging from 1% - 8% on overnight guests at lodging properties. Room Tax is intended to be used for local tourism promotion and development though most municipalities have the opportunity to retain up to 30 percent. Legislation is planned for introduction soon that will address concerns around the state relating to the proper use of room tax to help grow the tourism industry and local economy as is intended. The planned reform package would increase accountability for those who do not comply with the law, help ensure that the local tourism industry is making proper expenditure decisions, allow a small amount to be retained by those collecting the tax, and pursue uniformity in the percentage of the tax being directed to tourism promotion and development. Proper use of room tax encourages tourism growth and generates revenue and jobs for municipalities throughout Wisconsin.

REINVIGORATE FILM INDUSTRY TAX INCENTIVES

Wisconsin's pioneering film tax incentives were effective in 2008 and 2009, resulting in several high-profile films shot in Wisconsin and the establishment of locally-based film development programs and facilities, and a great deal of tourism activity. The growth of the film industry in Wisconsin expanded and diversified employment opportunities and increased involvement in the arts overall. Unfortunately, the program in its current, reduced format is not realizing its potential for Wisconsin. To ensure that Wisconsin builds and sustains economic and community development and civic strategies for the 21st century, the state's film industry tax incentives must be re-invigorated and expanded.

INCREASE STATE ARTS FUNDING

Public investment in the arts, culture, creativity and innovation gives Wisconsin the competitive edge in economic development, downtown revitalization, educational advancement, civic engagement and, of course, tourism opportunities. Increased investment in the Wisconsin Arts Board will help generate creative opportunities and an appealing quality of life which are crucial to the state's economic development efforts. We call for increased and expanded investment in the Wisconsin Arts Board as a critical way forward for Wisconsin.

**Source: WI Dept. of Tourism/Longwoods International and Davidson-Peterson Associates*