

# Baldwin campaign: Leah Vukmir's tax record puts big corporations ahead of hardworking families

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**RECAP:** While Tammy Baldwin affirmed her support for tax cuts for middle class Wisconsin families, Leah Vukmir continued to embrace a tax law that rewards those at the top — and put Wisconsin's health care and retirement at risk.

## **THE TRUTH:**

- Leah Vukmir supports the national Republican tax law that gifts over 80% of the benefits to the wealthiest 1% and the big corporations that lobbied for it — and adds over a trillion dollars to the national debt.
- Leah Vukmir supports cutting Wisconsin's Social Security and Medicare to pay for this tax law.

## **BACKGROUND:**

### **Vukmir Supported Tax Breaks For The Wealthy**

### **Vukmir Voted For A Manufacturing And Agriculture Tax Credit That Has Disproportionately Benefited The Wealthiest Taxpayers**

**Vukmir Voted For AB40, Walker's 2011 Budget.** [June 2011 Extraordinary Session Senate Journal, [06/16/11](#)]

**Politifact: The Manufacturing And Agriculture Tax Credit Was Part Of The State Budget Adopted In 2011, Took Effect In 2013.** “The manufacturing and agriculture tax credit was inserted by Republican lawmakers into Walker's first state budget, which was adopted in 2011. The credit didn't take effect until 2013 and

wasn't fully phased in until 2016." [Politifact, [2/17/17](#)]

**Tax Filers Who Had Incomes Of \$1 Million And Higher Received 78% Of Tax Breaks Under The MAC In 2016, While Those Earning Less Than \$300K Received Less Than 7%.**

**Tax Filers Who Had Incomes Of \$1 Million And Higher Received 78% Of Tax Breaks Under The MAC In 2016, While Those Earning Less Than \$300K Received Less Than 7%.** "The MAC gives extremely large tax cuts to the very highest earners, with very little of the credit going to tax filers with moderate or low incomes. Tax filers with incomes of \$1 million and higher, who made up just 0.2% of filers, receive an estimated 78% of the 2016 tax cut that is distributed through the individual income tax. Filers with incomes of between \$300,000 and \$1 million, who make up 1.0% of all filers, receive 15% of the tax cut. The remaining 98.8% of tax filers, who earn less than \$300,000, receive 7% of the tax cut." [Wisconsin Budget Project, [6/28/16](#)]

**Politifact: "Mostly True" That Under Manufacturing And Agriculture Tax Credit, Factory Owners Earning Up To \$2.5 Million Would Owe Less In State Income Tax Than A Full-Time Worker Who Earns Minimum Wage.** "The credit's benefit to the rich became an issue in the 2014 congressional race between Democrat [Mark Harris](#) and Republican [Glenn Grothman](#), which Grothman won. Harris claimed that as a state senator, Grothman pushed through the credit and that once it was phased in, "someone that owns a factory that produces millions in income" will pay "less tax than their nephew would if he worked full time at Taco Bell for minimum wage." Our rating was [Mostly True](#). We found that some factory owners who earn up to roughly \$2.5 million from production income would owe less in state income tax on that income than a full-time worker who earns minimum wage." [Politifact, [2/17/17](#)]

**Politifact: In 2017, Legislative Fiscal Bureau Estimated 11 Individuals Making Over \$30 Million Would Each Get \$22 Million Tax Break From Manufacturing And Agriculture Tax Credit.** "Hintz said "11 individuals who make over \$30 million each got \$22 million (in) credit" from Wisconsin's manufacturing and agriculture tax credit. The figures are essentially solid, coming from the nonpartisan state Legislative Fiscal Bureau. The bureau estimates that 11 claimants (individuals or married couples) who each earn over \$30 million will share a total of \$22 million in credits." [Politifact, [2/17/17](#)]

## **The Budget Called For A \$70 Million Reduction In Tax Breaks For Some Who Qualified For The Earned Income Tax Credit**

**Walker's Budget Placed Limits On The Homestead Tax Credit Exemption, Which Amounted To A Tax Increase For Poor Homeowners And Renters, And A Reduction In EITC Tax Breaks.** "Walker left the signing without taking questions from reporters as John Mellencamp's 'Small Town' played. The budget calls for a \$70 million reduction in tax breaks for some who qualify for the federal Earned Income Tax Credit, as well as limits on a homestead exemption for poor homeowners and renters, amounting to tax increases." [Associated Press, 6/28/11]

**Politifact: Walker's 2011-13 Budget Asked Certain Working Poor Families, Renters, And Homeowners To Shoulder A Little More Of The State's Tax Burden.** "But in balancing the 2011-'13 budget, Walker and Republicans asked certain working poor families, renters and homeowners to shoulder a little more of the state's tax burden - about \$69.8 million over two years." [Politifact, Milwaukee Journal Sentinel, [7/10/11](#)]

**Politifact: Walker's 2011-'13 Budget Contained What The Legislative Fiscal Bureau Classified As \$49 Million In Tax Increases, With The Biggest Change Being The Reduction In The State EITC.** "Walker's first budget, for 2011-'13, contained what the Legislative Fiscal Bureau classified as \$49 million in tax increases. The largest change was a reduction in the state Earned Income Tax Credit which, as we've noted, reduces the amount of income taxes a person owes or enables the person to get a tax refund. The fiscal bureau calculated that about 140,000 recipients would see their credits reduced. In other words, they would pay more in taxes or get a smaller tax refund.... So, 140,000 fewer lower-income people received the state Earned Income Tax Credit. " [Politifact, Milwaukee Journal Sentinel, [9/25/14](#)]

**Politifact: "Walker Cut Taxes For Wealthier Residents."** "Our rating: Burke said Walker cut "taxes for the wealthiest" and raised taxes "on 140,000 Wisconsin families." Walker cut taxes for wealthier residents and raised taxes for people on the lower end of the scale. But he also made tax cuts that applied across the board. The statement is partially accurate but leaves out important details. We rate it Half True." [Politifact, Milwaukee Journal Sentinel, [9/25/2014](#)]

Vukmir Voted For The 2013 Walker Budget Where 55% Of The Tax Benefits Went To Those Making \$100,000 Or More

**Vukmir Voted For AB40, Walker's 2013's Budget Act.** [AB40, [06/21/13](#)]

**55% Of The 2013 Budget's Tax Benefits Went To Those Making \$100,000 Or More.** "This latest tax package collapses five tax brackets into four and eliminates a number of tax breaks. [...] Under the plan, most of the cuts, about 55 percent, would benefit those making more than \$100,000 a year, the fiscal bureau said." [Wisconsin State Journal, [6/6/2013](#)]

**Vukmir Said She Supported A 2013 Tax Plan That Even The Sponsor Admitted Disproportionately Favored The Wealthy**

**Vukmir Supported Rep. Kooyenga's Tax Plan.** "Sens. Frank Lasee, R-De Pere; Paul Farrow, R-Pewaukee; and Sen. Leah Vukmir, R-Wauwatosa, issued statements in support of Kooyenga's plan." [Associated Press, 5/29/13]

**Rep. Kooyenga Admitted His Plan Would Benefit Higher Income Earners More.** "An income tax cut introduced Tuesday by state Rep. Dale Kooyenga, R-Brookfield would more than double what Gov. Scott Walker proposed ...He acknowledged that higher income earners would benefit more.... "It's nearly impossible to create a tax cut that doesn't disproportionately lower taxes for upper incomes," Kooyenga said." [Associated Press, 5/29/13]

**Under Kooyenga's Plan, The Majority Of The Tax Cut Would Benefit Those Making 100K Or More A Year.** "Earlier this month, the vast majority of his tax proposal was adopted by the budget committee, nearly doubling the size of what the governor had proposed...Democrats have been largely critical of his plan to cut tax rates for the wealthiest income earners. The majority of the cut would benefit those making \$100,000 a year." [Wisconsin State Journal, 6/16/13]

**Vukmir Supported The Republican Tax Reform Plan**

Milwaukee Journal Sentinel: "Vukmir Has Come Out Strongly For The GOP Proposal." "Vukmir has come out strongly for the GOP proposal. 'I stand with President Trump as he works to cut taxes, streamline our tax code and make America open for business,' she said in a statement. 'We've done this in Wisconsin, and we have seen how companies want to bring jobs where there is a low tax burden. Trump's plan will spark new economic growth and expand the tax base, which we can use to cut the deficit and pay down our debt.'" [Milwaukee Journal Sentinel, [10/11/17](#)]

**Tax Policy Center: 83% Of The GOP Tax Bill's Benefit Would Go To The Top 1%.** “By 2027, more than half of all Americans — 53 percent — would pay more in taxes under the tax bill agreed to by House and Senate Republicans, a new analysis by the Tax Policy Center finds. That year, 82.8 percent of the bill’s benefit would go to the top 1 percent, up from 62.1 under the Senate bill.” [Vox, [12/18/2017](#)]

**New York Times Listed Big Corporations As One Of The Winners From The GOP Tax Bill.** “President Trump has called the \$1.5 trillion tax cut that Republican lawmakers are on the verge of passing a Christmas present for the entire nation. But the fine print reveals that some will get a much nicer gift than others, the benefits will change over time, and some will be left out in the cold. Real estate developers and technology companies could see big tax cuts, while low-income households and people buying health insurance could lose out. [...] **WINNERS:** [...] **BIG CORPORATIONS:** Industries like big retailers will benefit from the new corporate rate of 21 percent, since those companies pay relatively close to the full 35 percent rate. Other aspects of the corporate tax cuts will be enjoyed by an array of multinational industries, particularly technology and pharmaceutical companies, like Google, Facebook, Apple, Johnson & Johnson and Pfizer. Such multinational companies have accumulated nearly \$3 trillion offshore, mostly in tax haven subsidiaries, untouched by the United States taxman. The tax bill will force those companies to gradually bring that money home, but it will be taxed at rates ranging from 8 percent to 15.5 percent. That’s far lower than the current 35 percent tax rate on corporate profits and even lower than the new 21 percent rate. Plus, American companies will no longer owe full corporate taxes on future profits they say they earn abroad, providing more incentive to push income into tax haven subsidiaries. The law even includes provisions that could encourage companies to move workers abroad, despite pledges to do the opposite.” [New York Times, [12/16/2017](#)]

**Vukmir Agreed With Paul Ryan That The Government Needed To Cut Entitlement Programs Like Medicaid, Medicare, And Welfare**

**“Vukmir spokeswoman Jess Ward said the nation needs to tackle its deficits and debt by addressing ‘the root of the problem, our spending.’** ‘Leah agrees with Speaker Ryan, America’s debt is a threat to future generations and we must reform these programs,’ Ward said in an email. ‘In Wisconsin, we are living within our means, having passed one policy reform after the other, and Leah intends to do the same when she gets to Washington.’ As the leader of House Republicans, Ryan has argued in recent weeks for following up the tax cut bill — which is projected to increase the federal deficit — with difficult to pass spending

restraints on entitlements such as Medicaid, Medicare and welfare programs.”  
[Milwaukee Journal Sentinel, [12/29/17](#)]

### **Vukmir Said That She Was In Favor Of Social Security Reform**

VUKMIR: “Paul Ryan’s been talking about Social Security reform. We just can’t continue. That money is not gonna be there for your generation, for your generation, for your kids. So, it’s come to the point where people are talking about it [UNINTELLIGIBLE], but it’s building. It’s gonna require people like you to speak out too. And you have, but I think it’s slowly building, and I think it’s slowly building to a crescendo, or we are going to doomsday, no doubt.” [Manitowoc County Republican Party [10/9/2017](#)] AUDIO (53:05)

### **Vukmir Said Congress Should Address Entitlement Reform**

INTERVIEWER: “What do you think is the next big task then? Do you think the next big task for the current congress is then going with the entitlement route? Going with what Paul Ryan has talked about for years?” VUKMIR: “I think that certainly on the table.” [Wispolitics Luncheon, [12/19/17](#)] AUDIO (4:45)