

Gov. Evers: Announces responsible tax relief plan for families

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Contact: GovPress@wisconsin.gov or 608-219-7443

MADISON—Governor Tony Evers today announced that his budget will include a responsible tax relief plan that will cut taxes for hard-working Wisconsin families by 10 percent, expand the Earned Income Tax Credit, and end a costly tax giveaway to millionaires—without adding to the deficit.

Under the Evers plan, middle-class families with a Wisconsin adjusted gross income (WI AGI) below \$80,000 for single filers and \$125,000 for married-joint filers will receive a new nonrefundable credit equal to 10% of the remaining tax liability after all other credits (besides the credit for taxes paid to other states).

“I promised Wisconsin’s hard-working families that I would not only provide the tax relief they deserve, but that I would provide tax relief in a responsible and sustainable way,” said Gov. Evers. “This is what the people voted for and it’s what we know they support. I’m calling on Republicans to work with me and with Democrats in the Legislature to put people first and cut taxes for Wisconsin’s hardworking families without increasing Wisconsin’s budget deficit.”

The Evers plan will also expand the Earned Income Tax Credit (EITC) for families with one or two children. Beginning with tax year 2019, the credit rate as a percentage of the federal credit for families with one child will nearly triple, from 4 percent to 11 percent, and the rate for families with two children will increase from 11 percent to 14 percent. Increasing the credit for those categories brings Wisconsin closer to parity with the median EITC provided by other states.

In addition, the Evers plan will rollback a Republican giveaway to some of

Wisconsin's highest earners by capping the Manufacturing and Agriculture Credit (MAC) for manufacturing claimants. Agricultural firms would continue to have the credit as it exists under current law.

As of October 2018, the nonpartisan [Legislative Fiscal Bureau estimated that 79 percent](#) of the MAC goes to individuals with adjusted gross incomes of over \$1 million. In 2019, 21 individuals with an adjusted gross income of \$30 million or more a year are estimated to receive \$38.9 million in tax breaks (an average of \$1.8 million each).

The [Wisconsin Budget Project](#) estimates that the MAC will have cost the state more than \$1 billion by the end of 2019.