

Online tax bill designed to lower income taxes clears Assembly

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The Assembly today also approved a measure that would use additional sales tax revenue collected from online retailers to lower income tax rates.

The bill would target the reductions in the bottom two brackets while also capturing more online transactions to increase the amount of sales tax the state would take in.

It also would make the tax breaks permanent. Due to a drafting error, the tax break previously would have only applied to tax year 2019.

Under the legislation:

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*the lowest rate of 4 percent would drop to 3.89 percent in tax year 2019. It would then go to 3.76 percent in tax year 2020.

*the second lowest rate would be lowered to 5.71 percent in tax year 2019 from the current 5.84 percent under current law. The bill would take that reduction to 5.56 percent in tax year 2020.

The state's top two brackets of 6.27 percent and 7.65 percent would remain the same.

Filers would see an average reduction of \$27 in tax year 2019 and \$59 in tax year 2020, according to the Legislative Fiscal Bureau.

Bill author Rep. Jessie Rodriguez, R-Oak Creek, said the measure was developed in partnership with the Evers administration. Revenue Secretary Peter Barca

previously noted the agency has had “constructive” conversations with Republicans about the bill.

The bill now heads to the state Senate.

See the bill:

<http://docs.legis.wisconsin.gov/2019/related/proposals/ab251.pdf>