

Wisconsin AFL-CIO: Applauds bipartisan effort to end tax breaks for companies that move jobs out of Wisconsin

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Contact: Karen Hickey, 414-573-7579, khickey@wisaficio.org

On Tuesday, April 9, the Wisconsin State Assembly passed Assembly Bill 10, a commonsense bill that aims to eliminate a tax loophole that currently permits tax deductions for companies that move jobs out of state. Under current law, companies can deduct from their taxes the cost of moving expenses when they move operations anywhere – be it within Wisconsin, outside of Wisconsin, or to another country.

“Passage of Assembly Bill 10 is a step towards fixing our tax code so that Wisconsin taxpayers aren’t footing the bill to help companies move jobs out of state,” said Stephanie Bloomingdale, President of the Wisconsin AFL-CIO. “For too long, taxpayer dollars have followed every job loss that Wisconsin and working families have experienced. If a company decides to move a job from Manitowoc to Malaysia, then that company should not receive the benefit of a tax deduction for the harm it causes to the Manitowoc community. Politicians from both sides of the aisle took action to end this tax injustice. We applaud the bipartisan effort to end tax breaks for companies that move jobs out of state and urge the Senate to take up and pass the companion bill.”

Last year, 8,423 Wisconsinites received a WARN notice that their job was being eliminated due to a facility closure or a workforce reduction. Not every one, but some of these companies that closed or downsized in Wisconsin expanded

elsewhere – be it in another state, or another country.

Under Assembly Bill 10, businesses would no longer be able to deduct from their taxes moving expenses when the move is from Wisconsin to outside of Wisconsin, including outside of the United States. This bipartisan provision is also included in Governor Evers' proposed Budget. The Governor anticipates that this loophole currently costs taxpayers \$500,000 each year. The Wisconsin State AFL-CIO joins Governor Evers, the bill's co-sponsors Rep. Chris Taylor and Rep. Adam Neylon, and the bill's many co-sponsors in calling for this loophole to be closed.