

WMC: Encourages JFC to reject Gov. Evers' \$365 million tax hike plan

Posted on Tuesday, Jun 11, 2019

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MADISON – Wisconsin Manufacturers & Commerce (WMC) called for Joint Committee on Finance (JFC) members to reject a number of tax hike proposals included in Gov. Tony Evers' budget when they gather for a vote this week. Specifically, the Committee should oppose seven provisions that aim to create conformity between the state and federal tax code that would result in hundreds of millions of dollars in tax increases.

"Employers large and small would be hit hard by Gov. Evers' plan to raise taxes," said WMC General Counsel and Director of Tax, Transportation & Legal Affairs Cory Fish. "JFC members should take this opportunity to defend job creators and wholly reject the governor's call for higher taxes."

WMC encourages JFC to remove the following tax hikes from the state budget:

- Loss Limitation for Pass-Through Taxpayers
 - It would increase taxes by \$70.4 million in 2019-20 and \$66.3 million in 2020-21.
- Limitation on the Deduction for Business Interest
 - It would increase taxes by \$87.0 million in 2019-20 and \$83.5 million in 2020-21.
- Accounting Rules for Accrual Method Taxpayers
 - It would increase taxes by \$10.5 million in 2019-20 and \$7.9 million in 2020-21.
- Limitation on FDIC Premium Deduction
 - It would increase taxes by \$7.3 million in 2019-20 and \$5.8 million in 2020-21.
- Limitation on Deduction for Highly Paid Individuals
 - It would increase taxes by \$4.5 million in 2019-20 and \$3.6 million in 2020-21.
- Limitation on Employers Deduction for Entertainment, Amusement and Recreation Expenses
 - It would increase taxes by \$10.1 million in 2019-20 and \$8.2 million in 2020-21.

2020-21.

- Amortization of Research Expenses
- Because of a delayed effective date, this would have no impact on the current budget, but it would increase taxes by \$76.9 million in 2021-22 and \$83.2 million in 2022-23.

The seven provisions of the federal tax code that were cherry-picked by the Evers' administration would target businesses with \$365 million in tax hikes during the 2019-21 biennium, and it would be even worse in future years.

"Wisconsin's job creators should not be forced to pay \$365 million in additional taxes when we have had budget surpluses year after year," added Fish. "We hope members of the Finance Committee will put taxpayers first and, instead, find ways to reduce the tax burden on our employers and employees."

For more information, please contact:

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