

# Assembly sends GOP tax, debt package to Evers' desk

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The state Assembly signed off on a \$392.4 million package on Thursday that would cut income taxes, expand a property tax break for businesses and reduce state debt.

In doing so, Republicans challenged Gov. Tony Evers to sign the package after he pledged during the 2018 campaign to reduce taxes for the middle class by 10 percent. Speaker Robin Vos, R-Rochester, taunted Dems by reminding them that Evers signed a tax cut in the state budget that each one of them voted against.

The bill cleared both houses Thursday, sending the package to the gov's desk for his review. Assembly Dems Steve Doyle, of Onalaska, and Nick Milroy, of Iron Range, voted for the bill as it was approved 65-34.

"The answer is clear and obvious: Gov. Evers should do what he did last time, which is ignore the far left of this chamber and do the right thing," Vos said.

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Republicans rejected Dem efforts to swap out the GOP proposal with the gov's \$251.9 million plan for the surplus. He wanted to put \$130 million into school aids, which would result in a corresponding reduction in the property taxes that districts can collect in the 2020-21 school year. The rest of the package included provisions such as investing more money into mental health services and aid for small, rural school districts.

Evers signaled his issues with the GOP package in a tweet Wednesday, noting "there are Republicans concerned about the high price tag of their own unsustainable tax bill that shortchanges our rainy day fund."

“My plan invests in our kids and property tax relief,” he wrote.

“There’s still time to do the right thing.”

The Legislative Fiscal Bureau currently projects the state will have a surplus of \$451.9 million by mid-2021, largely due to a boost in corporate tax collections. The state also could have more money in its main checking account, because Foxconn is expected to fall short of qualifying for the \$212 million in tax credits budgeted for in the current biennium. LFB instead projects the manufacturer to qualify for \$50 million to \$75 million in credits.

The GOP package would:

- \*reduce income taxes by \$247.7 through increasing the maximum deduction, producing an average cut of \$106 for calendar year 2020.

- \*pay off \$100 million in state debt.

- \*send \$44.7 million to local governments to offset lost property tax collections for the expanded a break for businesses on the personal property tax that they pay to municipalities.

- \*change state law on depositing excess revenue collections into the rainy day fund. Now, half of any surplus in tax collections is deposited into the account at the end of a fiscal year. Under the bill, excess tax revenues would instead be used to pay down debt if the balance in the account amounted to 5 percent of the estimated expenses during a fiscal year.

The Assembly vote came hours after the Senate reconvened Thursday morning to pass the package after Dems used a procedural move to block a final vote Wednesday night.

Senate Majority Leader Scott Fitzgerald, R-Juneau, told reporters after today’s 19-14 vote that the gov had told him during a Tuesday meeting that he would consider the plan. He added “it just doesn’t seem feasible right now” to consider Evers’ K-12 proposal when the Senate Republican caucus was already set on reducing income and property taxes.

An Evers spokeswoman took issue with Fitzgerald’s characterization of the gov’s comments, writing on Twitter Wednesday the gov said he’d be “as open to

Republicans' tax bill as Republicans have been about passing his education plan.”