

Carpenters Union: Carpenters Union supports Misclassification Task Force's highly anticipated 2020 report and recommendations

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Madison - The North Central States Regional Council of Carpenters (NCSRCC) strongly endorses the findings by the Task Force on payroll fraud and worker misclassification. The task force has continued to meet virtually, and the legislative recommendations set forth in its report should be deliberated on and passed in the upcoming 2021-22 legislative session.

[The Report](#) is a culmination of meetings, testimony, fact finding and analysis of existing laws and practices to determine effective enforcement while drawing on the diverse expertise of Task Force members. Notably, the report contains estimates from the Department of Revenue that **\$91.2 million** in personal income taxes went unpaid in 2019 due to misclassification, and **\$50.7 million** is lost annually in business taxes from the construction industry alone. This is revenue that could be spent on roads, schools, COVID-19 response or tax relief to Wisconsinites.

“The Task Force has recognized that worker misclassification not only denies various worker protections but also results in **\$141.9 million** in lost revenue to state government and taxpayers due to unpaid payroll and business taxes. When accounting for additional unemployment insurance and workers compensation losses, the total exceeds **\$200 million**” stated Andrew Disch, Wisconsin Political Director for NCSRCC.

The public also supports these efforts. A poll released last year by Wisconsin Infrastructure Investment Now [WIIN] addressed the misclassification issue. The poll

showed 68% of Wisconsin voters do not support companies earning the right to work on public projects if they label their employees “consultants” to avoid paying social security, workers compensation and payroll taxes.

“Payroll fraud deprives workers of key protections, deprives government of tax revenue and gives cheating contractors an advantage over law-abiding contractors. We commend the Task Force for addressing these issues head on,” concluded Disch.