

Construction groups: Payroll fraud study finds alarming consequence for Wisconsin taxpayers

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(MADISON, WI - DECEMBER) Construction trade association groups thank Gov. Tony Evers and the members of the Joint Enforcement Task Force on Payroll Fraud and Worker Misclassification for advancing recommendations [from the Task Force's recent study](#) analyzing the significant economic impact caused by payroll fraud in Wisconsin. Findings, and the recommended solutions, cover a wide range of policy proposals. Still, all seek to tackle the overarching challenge of preventing the more than \$200,000,000 in tax fraud and evasion that happens in Wisconsin every year.

“Payroll fraud involves non-payment or significant underpayment of taxes and required insurance. These illegal practices have devastating impacts on working families, law-abiding construction companies and all Wisconsin taxpayers,” said Robert Bartel, Executive Director of the Wisconsin Underground Contractors Association. “As the State Legislature enters a budget cycle that will be challenging due to COVID-19, collecting the hundreds of millions of dollars that goes unpaid from these illegal payroll fraud practices has never been more important.”

The Task Force is recommending solutions to address worker safety and financial impacts in four critical areas:

1. \$91.2 Million In Personal Income Tax Losses
2. \$56 Million In Unemployment Insurance Tax Losses
3. \$51.2 Million In Business Tax Losses

4. \$2.6 Million In Benefits Paid To Uninsured Workers

“The issue of payroll fraud is a problem that has grown in size year over year, making it extremely difficult for law-abiding businesses to compete,” said John Topp, CEO of Allied Construction Employers Association. “Now is the time to act on the recommendations from the Task Force to return fairness to the construction industry.” The study can be downloaded in its entirety [here](#).