

Gov. Evers: Announces additional tax relief for Wisconsin taxpayers

Posted on Tuesday, Oct 20, 2020

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

Contact: GovPress@wisconsin.gov or 608-219-7443

Sales and use taxes from out-of-state retailers and marketplace providers results in more than \$250 million in tax relief targeted toward lower and middle-income taxpayers

MADISON — Gov. Tony Evers today announced an estimated \$256.4 million in tax relief for Wisconsin taxpayers as a result of the additional revenue collected by the Department of Revenue (DOR) from out-of-state retailers and marketplace providers for the twelve-month period ending Sept. 30, 2020. The amount is more than three times the \$77.4 million in tax relief in 2019. Last year, Gov. Evers signed bipartisan legislation, 2019 Wisconsin Act 10, which ensured the tax relief would be targeted toward lower and middle-income Wisconsinites.

“I was proud to sign legislation that received bipartisan support to ensure that the rate cuts would reduce taxes for all income groups but especially for our lower and middle-income taxpayers,” Gov. Evers said. “It is important we are able to provide this much-needed tax relief for Wisconsinites, especially during these unprecedented times.”

“We are pleased the department could collect these funds from more than 9,000 remote sellers, which is up from 5,000 remote sellers previously,” said DOR Secretary Peter Barca. “I am pleased to see that the changes we made in the Marketplace legislation are delivering the most relief to those who most need it.”

A 2018 decision by the U.S. Supreme Court in *South Dakota v. Wayfair* expanded the state's authority to require out-of-state retailers and marketplace providers to collect and remit sales and use tax during the period beginning Oct. 1, 2019 and ending Sept. 30, 2020. This revenue estimate is based on tax amounts reported by filers who registered to collect taxes

after the *Wayfair* decision and are located outside of the state. Additional revenue reported by marketplace providers is included in this amount as the marketplace provisions included in 2019 Wisconsin Act 10 took effect Jan. 1, 2020.

Prior to 2019 Wisconsin Act 10, the rate cuts related to collections from out of state retailers subject to the *Wayfair* decision were to be applied to all income tax brackets, which would have disproportionately benefitted higher income earners. Under 2019 Wisconsin Act 10, the rate cuts were instead focused on the lower two brackets, concentrating income tax relief for lower and middle-income Wisconsin taxpayers. For example, under the marketplace legislation, 2019 Wisconsin Act 10, the average household with an income of \$59,523 will enjoy a tax cut of approximately \$137, while under the across-the-board rate cut in 2017 Wisconsin Act 368, they would have only received a tax cut of approximately \$70. By contrast, a household with an income of a million dollars will receive a tax cut of approximately \$145, while the across-the-board rate cut passed in 2017 Wisconsin Act 368 would have yielded them approximately \$1,841.

The marketplace legislation also defined a marketplace provider and required them to collect and remit sales and use tax on taxable sales they facilitate online on behalf of third-party sellers beginning on Jan. 1, 2020, creating a more level playing field between brick and mortar stores and online retailers.