

Sen. Erpenbach, Reps. Taylor, Stubbs introduce bill to limit manufacturing credit and increase special education funding

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MADISON – Today, Senator Jon Erpenbach (D-West Point) and Representatives Chris Taylor (D-Madison) and Shelia Stubbs (D-Madison) circulated a proposal to limit the manufacturing portion of the Manufacturing and Agriculture Credit. The bill would make it so that an individual claiming the credit for manufacturing income can only claim it on the first \$300,000 of qualified income. This change would release an estimated \$295.4 million in new revenue that the state must then re-invest into special education for public schools.

Currently, over 82% of the tax credit is going to millionaires, and fewer jobs have been created while the credit has been in full effect than the three years prior to its implementation. Meanwhile, despite special education funding not being increased in over a decade, Republicans cut \$500 million from Governor Evers' proposal for special education in favor of roughly \$500 million in tax breaks for the wealthy and only provided \$100 million in new money for special education—17% of the increase that Governor Evers proposed.

Whether or not we increase funding for special education, taxpayers are on the hook. When the state reimburses less, local taxpayers pay the difference. Republicans are choosing to force taxpayers to increase their own taxes to keep their school doors open by protecting giveaways to the extremely wealthy.

This bill would protect Wisconsinites and ensure that we are utilizing tax dollars wisely. Senator Erpenbach and Representatives Taylor and Stubbs released the

following statement:

“Only 14% of the Manufacturing Credit recipients are millionaires, but they take 82% of the total,” said Senator Erpenbach. “In summary, 20 people in Wisconsin earning over \$30 million annually are taking \$50.4 million in tax credits. That is money that should be invested in our schools. Instead of bending to millionaires, this bill will help us be able to give greater relief to property tax payers across Wisconsin.”

“This tax credit diverts hundreds of millions of tax dollars to millionaires and billionaires in our state, and you don’t have to create one job to get it,” said Representative Taylor. “Meanwhile, our public schools continue to reallocate general education funds because of inadequate funding for special education. Our schools and our state cannot be successful if we continue to prioritize tax breaks for the wealthy elite over our most vulnerable students.”

“As a former special education teacher, I understand just how vital this legislation is,” said Representative Stubbs. “We must fund our schools’ special education programs to ensure that students have the resources they need to reach their fullest potential. Investing in special education is investing in the future of our state.”