

# Assembly resolution would direct Kaul to join lawsuit over provision barring states from using federal COVID-19 funds for tax cuts

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The GOP-controlled Assembly plans a vote today on a resolution pushing an effort to allow federal COVID money to be used for tax cuts.

The resolution would direct Dem AG Josh Kaul to intervene in a lawsuit, which seeks to overturn a ban on states using federal money from the latest COVID-19 package to cut taxes.

The resolution comes after Kaul rebuffed a letter from Assembly Speaker Robin Vos, R-Rochester, and Senate Majority Leader Devin LeMahieu, R-Oostburg, asking him to join the suit 13 other states have filed. The U.S. Treasury Department hasn't provided additional guidance on the provision, which bans states that accept the federal money from reducing taxes directly or indirectly.

"If the majority leader and speaker would like to use federal funding to cut taxes, they should expand Badgercare, saving a huge amount of state tax money, rather than advocating for Wisconsin to join a strained lawsuit," Kaul said in response to the letter late last week.

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As part of the resolution, the Assembly directs Kaul to try joining the suit as a plaintiff and "urges and authorizes the attorney general to pursue all other legal means available to oppose the Federal Tax Mandate."

[Read the resolution](#)

The Assembly also plans to vote on 11 bills seeking to dictate how the state spends the \$3.2 billion in expected federal aid.

The legislation includes several proposals — such as paying off debt and creating grants for local roads — that the Legislative Fiscal Bureau says don't appear to be allowed uses of the federal money under current guidance.

One bill seeks to take \$1.1 billion of the money to create a refund equal to 10 percent of an owner's property tax bill. LFB says that proposal appears to be allowed under the expense. But further guidance is needed on the prohibition against using the money to lower taxes directly or indirectly to make sure the federal government wouldn't require the state to repay the money if it went forward with the proposal.

Separate from the bills to direct use of the federal money, the Assembly plans to vote on legislation that would create a sales tax holiday this summer for bars, restaurants and other entertainment venues.

There are currently no Senate co-sponsors on AB 242.

The Assembly is also scheduled to vote on a resolution declaring April to be Freedom of Expression Month. The resolution decries "speech codes, cancel culture, and corporate technology giants who censor the primary outlets for most Americans to express themselves."

[See the Assembly calendar](#)