

Senate approves budget, clearing way for Evers action

Posted on Thursday, Jul 1, 2021

The state Senate put the final touches on the Legislature's \$89.2 billion budget Wednesday, clearing the way for the document to head to Dem Gov. Tony Evers.

As in the Assembly, the document received bipartisan support in the Senate with three Dems joining all 20 Republicans present in backing the bill.

The Dems who supported the bill were Minority Leader Janet Bewley, of Mason; Brad Pfaff, of Onalaska; and Jeff Smith, of Brunswick. None spoke before the vote to explain their support.

After the vote, Bewley and Pfaff told WisPolitics.com they were hoping Evers would use his line-item veto to improve the document. Bewley said she had received no assurances from the gov on what he would do, but was operating under the assumption he will use his line-item veto and then sign the budget.

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"I really believe in the governor's ability to make a silk purse out of a sow's ear," Bewley said. "Some of us have to pay attention to our districts."

Pfaff, elected to his western Wisconsin seat last fall by 582 votes out of more than 97,000 cast, said, "This isn't the budget that I would have written if I was in the majority. But this is the budget that's before us."

It is the first time since 2007 that a budget cleared either house of the Legislature with bipartisan backing.

That year Republicans controlled the Assembly while Dems had the state Senate and gov's office. The budget was delayed until October when a group of minority

Dems and Assembly Republicans worked together to pass a budget in that house.

Senate Majority Leader Devin LeMahieu, R-Oostburg, touted the \$3.4 billion tax cut package that's the centerpiece of the 2021-23 GOP plan, calling it "transformational."

The \$3.4 billion tax cut includes nearly \$2.4 billion to reduce the state's third tax bracket of 6.27 percent to 5.3 percent, effective Jan. 1. The bracket applies to income between \$23,930 and \$263,480 for single filers, and roughly half of Wisconsinites would benefit from the reduction, according to the Legislative Fiscal Bureau.

LeMahieu said the income tax break, along with a credit for child and dependent care expenses, would amount to an average of \$1,000 for the typical Wisconsin family, calling it "real money."

Still, the impact of the main tax break in the budget would vary widely across those in that bracket. According to the Legislative Fiscal Bureau, those making \$25,000 to \$30,000 a year who would qualify for the break would see an average decrease in their tax bill of \$115. For those making \$250,000 to \$300,000, the cut would be an average of \$2,283.

LeMahieu said those who will qualify for the credit include everyone from employees at Kwik Trip to teachers.

"These are the wealthy people we're giving tax breaks to," LeMahieu said, countering Dem complaints over the proposed cut.

The tax cut plan emerged after LFB updated revenue projections in early June, finding \$4.4 billion more is expected to come in through mid-2023 than had been originally expected.

Sen. Jon Erpenbach, D-Town of West Point, said Republicans had "wasted" once-in-a-generation revenue growth with misplaced priorities, focusing on the GOP's approach to expanding broadband.

Evers had proposed using \$147.8 million in state tax dollars to cover the grants with another \$50 million in various efforts to expand access to high-speed internet.

Instead, Republicans want to borrow \$125 million while transferring another \$4

million from other accounts to the effort. Erpenbach noted bonds are often paid off over 20 years, wondering if the technology the borrowing would pay for would still be relevant once the debt is gone.

He also said reliable high-speed internet has become a top concern of constituents because it impacts everything from how kids learn at home to where businesses can locate.

“Some of you will be here longer than I am,” said Erpenbach, who’s 50 and was first elected to the Senate in 1998. “You will never see that kind of money again.”