WisDems: ICYMI: Trust Fund set by Johnson goes from six-figure tax bills to paying nothing in taxes

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MADISON, Wis. — A new report revealed new tax records from Ron Johnson showing that his multimillion dollar family trust fund took advantage of the Agriculture and Manufacturing Tax Credit to save themselves from paying millions of dollars in taxes. Since 2016, Johnson's family's trust hasn't paid anything in state taxes, funds that would have been used to support police, fire departments, schools, and other essential services.

WKOW: From six-figure tax bills to $0: Why trust fund set up by Sen. Johnson no longer owes state taxes

Key points:

- State records show a trust fund started by ***Republican Sen. Ron Johnson hasn't paid any Wisconsin taxes since 2016***. Before then, the fund paid hundreds of thousands of dollars each year in state taxes.
- Democrats argue a state tax credit allowing the trust fund, which Johnson set up for his three children, to save millions of dollars in recent years is another sign of a system skewed toward the wealthy
- Tax records obtained from the Wisconsin Department of Revenue showed the Ronald Johnson and Jane Johnson Irrevocable Endowment Trust paid ***between $400,000 and $920,000 annually in state taxes between 2011***, when Johnson was sworn into his first term as a U.S. Senator, and 2015.
- ***From 2016 on, however, the trust fund didn't pay a single cent in state taxes.*** Johnson's campaign said it was because the fund was able to apply for Wisconsin's Manufacturing and Agriculture Tax Credit.

- Democratic strategist Joe Zepecki said the tax applying to Johnson's family trust fund symbolizes a broken tax structure.
- "We know that the system has been rigged by people like Senator Johnson for people like Senator Johnson for way too long," Zepecki said.
- In 2011, the Milwaukee Journal Sentinel reported the Johnson trust fund purchased a million-dollar house in Washington, D.C. Johnson then paid rent to the trust when he stayed in the house while conducting Senate business.
- Washington, D.C. tax records indicate the trust still owns the property, which now has an assessed value of $1.6 million.
- Johnson's stance on taxes has drawn scrutiny from critics since his push to expand tax cuts in 2017. While the move affected the vast majority of businesses, a ProPublica analysis found ***two of the three biggest beneficiaries were Wisconsinites among Johnson's biggest donors***.
- Zepecki said regardless of whether it was legal for the trust fund to apply the tax credit, it was an example of an unfair system where the wealthy have tools to avoid taxes that aren't available to working and middle-class taxpayers.
- "Even if everything is by the book, it speaks to the frustration that ordinary working families have," Zepecki said. "That the system is set up to work for people like Ron Johnson and his family."
- State records also showed the Oshkosh plastics company Johnson once oversaw hasn't paid state taxes since 2013. Johnson owned five percent of the company during his time in the Senate.
- The report noted critics of the credit argue it largely benefits the wealthy. For instance, ***the credit means owners of manufacturing businesses now have to make more than $3.7 million from the business before they'd owe any individual income taxes***.