

Assembly Republicans approve nearly \$3 billion tax cut plan

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The Assembly today approved 64-35 along party lines a nearly \$3 billion tax cut, despite a vow by Gov. Tony Evers to veto the proposal.

Evers last week announced he would veto the proposal, saying it would send the state on a “path to bankruptcy.” He criticized Republicans for rejecting the cut he proposed in the state budget, saying it would have provided \$1.2 billion in tax relief.

Assembly Speaker Robin Vos said he would have preferred a tax cut for all tax brackets, but said Republicans went back to the drawing board after Evers vetoed GOP proposals in the state budget to cut the top two tax brackets. He called the tax cut included in the budget a “pittance.”

The Rochester Republican said now is the time to return money to the taxpayers, “like we all say during campaign time.”

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“We’re actually going to follow through on what we promised, and that is to focus on the people who are the hardest hit by what’s happening through — many times — no decisions of their own,” Vos said.

AB 386 would reduce the third-highest tax bracket to 4.4 percent from 5.3 percent. The reduction in that bracket, which covers income between \$36,840 to \$405,550 for married couples filing jointly, would account for about \$2 billion of the price tag.

The measure would also expand an existing break on retirement income. It would allow married couples to subtract up to \$150,000 in payments from qualified retirement plans from their taxable income if they’re 67 and older.

Rep. Tod Ohnstad voted against the bill after supporting it in committee, raising projections it could end up “breaking the bank” as a concern. Dems have cited a Legislative Fiscal Bureau memo showing a potential structural deficit from the cut, which Republicans have dismissed, noting the memo doesn’t account for future revenues.

“And to be perfectly frank, Mr. Speaker, all this talk of impeachment makes it pretty hard to think of supporting this or any other controversial Republican bills,” Ohnstad added, referencing discussions about possibly impeaching liberal Justice Janet Protasiewicz.

Republicans have blasted Protasiewicz for calling the state’s legislative maps “rigged” and have asked her to recuse herself from cases challenging them.

The chamber also rejected a Dem amendment to retain the retirement tax break expansion and to address Dem priorities such as paid family and medical leave.

Lawmakers also approved 63-35 a proposal, AJR 66, to amend the state constitution to require approval from a two-thirds majority of each chamber of the Legislature in order to raise taxes.

Constitutional amendments must pass over two consecutive legislative sessions before going to voters for referendum. The measure is being considered for the first time.