

Howard Marklein: The cost of living makes our case for a middle class tax cut

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Over the last several years, the cost of living for most Wisconsinites has increased at unsustainable rates. Every family is managing increasing grocery bills, higher energy costs and more. Wisconsinites need relief from inflation. This is why the State Legislature continues to pass Middle Class Tax Cuts. We want to return your \$4 billion surplus to you.

The State Senate will soon be voting on another Middle Class Tax Cut. This \$2.9 billion tax cut will provide \$772 in tax relief for the average filer. It also creates a tax-free retirement for older Wisconsinites by exempting \$100,000 of retirement income for single filers and \$150,000 for married-joint filers from being taxed!

You deserve a tax cut. Your costs of living have increased exponentially due to the flood of COVID relief funds that have saturated our economy. Inflation is crushing our checkbooks. The cause: rampant spending at both the Federal and State levels of our government. It needs to stop.

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Even when it does stop, your family will still be managing the effects of inflation. Have you noticed the tremendous jump in prices at the grocery store? Are you paying more for the goods and services you use every day? If you own a business, have you increased your prices to manage your increases in costs?

In just four years, families have experienced an increase of more than 23% for

groceries. In 2019, an average family of four spent \$245.90 per week, or \$1,065.30 per month, for groceries. That cost has now inflated to \$302.80 per week, or \$1,311.50 per month, according to the United States Department of Agriculture (USDA). For more information on the cost of groceries, visit this link:

<https://www.fns.usda.gov/cnpp/usda-food-plans-cost-food-monthly-reports>.

Gasoline has also seen dramatic price fluctuations since January 2019. The Midwest cost for a gallon of gas in 2019 was \$2.09, whereas the August 2023 gallon of gas costs \$3.67, according to BLS Beta Labs. For more information, visit this link:

<https://beta.bls.gov/dataViewer/view/timeseries/APUN2007471A;jsessionid=4690B796E827A3DA5AC8C76DE75A0AFB>.

The cost of heating and supplying energy to our homes has skyrocketed. The average retail price of electricity per KWH rose from \$0.1047 in January 2019 to \$0.1315 in July 2023 – a 26% increase. Additionally, the cost per thousand cubic feet for residential natural gas has risen from \$7.28 in January 2019 to \$12.76 in January 2023 – a 75% increase! For more information, visit this link:

<https://www.eia.gov/dnav/ng/hist/n3010wi3m.htm>

The Governor vetoed the Middle Class Tax Cut we included in the most recent state budget. He told us that he didn't want the uppermost bracket to receive a tax cut.

In response, the current Middle Class Tax Cut does not include the top bracket. We are focusing our tax relief on everyone in the third tax bracket and retirees: the middle class. This includes most taxpayers in the state. The third bracket income ranges are \$36,840 to \$405,550 for married joint filers or \$27,630 to \$304,170 for single filers.

Now, I know that the top end of this bracket looks very high. However, there are many small business owners who fall into this category and they are the economic engines of our communities. Besides, if we are trying to reach the Middle Class, the third tax bracket is where most of you fit. I want to cut your taxes!

When we cut taxes, I often hear people say that the tax cut isn't much. They say, "it's only \$100." But, it is important to note that when we cut taxes, it is for that year and each year ongoing. So, this year, it is \$772. Next year it is an additional \$772 and \$772 each year ongoing. When we cut a tax, it stays cut until it is restored. Our middle class tax cut will keep your money in your pocket.

Providing a tax-free retirement and tax relief to our the middle-class is the best way to provide relief from all of the increases in the costs of living that you are managing every day. It is time for a Middle Class Tax Cut.

-Marklein, R-Spring Green, is co-chair of the Joint Finance Committee and represents the 17th Senate District.